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THIS INSTRUMENT WAS PREPARED BY
AND SHOULD BE RETURNED TO:

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GOULD & RATNER
222 North La Salle Street
Suite 800
Chicago, Illinois 60601

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1999-12-30 09:35:11
Cook County Recorder 67.00



09206728

MORTGAGE

THIS MORTGAGE, made as of this 27TH day of December, 1999, between 2727 HIGGINS LLC, an Illinois limited liability company ("Borrower"), and LaSalle Bank National Association ("Lender").

WITNESSETH:

Whereas, Borrower has executed and delivered to Lender a Mortgage Note of even date herewith in the original principal amount of \$2,500,000.00, or such lesser amount as may be disbursed thereon, being payable to Lender and bearing interest as more fully set forth therein and with a final payment due and payable March 31, 2000, (such note, together with all notes issued in substitution or exchange therefor, and as any of the foregoing may from time to time be amended, is hereinafter called the "Note"); and

Whereas, Lender is desirous of securing the prompt payment of the Note, together with interest thereon in accordance with the terms of the Note, and any additional indebtedness accruing to Lender on account of any future payments, advances or expenditures made by Lender pursuant to the Note or this Mortgage (such Mortgage, as the same may be amended from time to time, being herein called the "Mortgage") or any other document or instrument securing the indebtedness evidenced by the Note, all of the foregoing hereinafter sometimes collectively called the "indebtedness secured hereby."

Now, Therefore, to secure the performance and observance by Borrower of all of the terms, covenants and conditions in the Note and in this Mortgage contained, and in order to charge the properties, interests and rights hereinafter described with such payment, performance and observance, and for and in consideration of the sum of One Dollar (\$1.00) lawful money of the United States of America to Borrower duly paid by Lender on or before the delivery of this Mortgage, and for other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, Borrower has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm, unto Lender and its successors and assigns, forever, all of the following described property (which is hereinafter sometimes referred to as the "Mortgaged Property"), to-wit:

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BMR

A. All those certain tracts, pieces or parcels of land more particularly described in Exhibit A attached hereto and made a part hereof (hereinafter called the "Land");

B. All buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all furnishings, furniture, fixtures, machinery, equipment, appliances, systems, building materials and personal property of every kind and nature whatsoever, including, without limitation, all gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures and systems, carpeting and other floor coverings, washers, dryers, water heaters, mirrors, mantels, air conditioning apparatus and systems, refrigerating plant, refrigerators, computers and all hardware and software therefor, cooking apparatus and appurtenances, window screens, awnings and storm sashes, which are or shall be attached to said building, structures or improvements, or which are or shall be located in, on or about the Land, or which, wherever located (including, without limitation, in warehouses or other storage facilities or in the possession of or on the premises of vendors or manufacturers thereof), are used or intended to be used in or in connection with the construction, fixturing, equipping, furnishing, use, operation or enjoyment of the Land or the improvements thereon (excluding, however, all vehicles and parts thereof), all warehouse receipts or other documents of title relating to any of the foregoing and all permits, licenses and franchises now or hereafter owned by Borrower, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing, together with the benefit of any deposits or payments now or hereafter made by Borrower or on its behalf in connection with any of the foregoing but specifically excluding all personal property or fixtures now or hereafter owned or leased by any tenant leasing any portion of the land or building, structures or improvements located thereon; and

C. All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, licenses, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining to the Mortgaged Property, or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Borrower and the reversion and reversions, remainder and remainders, and the rents, issues, profits and revenues of the Mortgaged Property from time to time accruing (including, without limitation, all payments under leases or tenancies, proceeds of insurance, condemnation payments, tenant security deposits and escrow funds), and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Borrower of, in and to the same;

To Have and To Hold the Mortgaged Property and all parts thereof unto Lender, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein contained;

Without limitation of the foregoing, Borrower hereby further grants unto Lender, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which property includes, without limitation, goods which are or are to become fixtures.

This Mortgage is Given To Secure: (a) payment of the indebtedness secured hereby, and (b) performance of each and every of the covenants, conditions and agreements contained in this Mortgage, in the Note, and in any other agreement, document or instrument to which reference is expressly made in this Mortgage or which secures the payment of the indebtedness secured hereby or any portion thereof.

It is expressly understood and agreed that the indebtedness secured hereby will in no event exceed five hundred percent (500%) of (i) the total face amount of the Note plus (ii) the total interest which may hereafter accrue on such face amount.

Provided, However, that these presents are upon the condition that, if Borrower shall pay or cause to be paid to Lender the principal, interest, expenses, and costs payable pursuant to the Note, this Mortgage, and any other documents securing the Note, at the time and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by Borrower, and if Borrower shall timely perform and observe all of the provisions herein and in the Note, then this Mortgage shall cease, terminate and be void, but shall otherwise remain in full force and effect.

And Borrower covenants and agrees with Lender that:

ARTICLE 1

1.1 Performance of Note and Mortgage. Borrower will perform, observe and comply with all of the provisions hereof and of the Note and will duly and punctually pay to Lender the sum of money expressed in the Note with interest thereon at the times and in the manner provided in the Note and all other sums required to be paid by Borrower pursuant to the provisions of this Mortgage, all without any deductions or credit for taxes or other similar charges paid by Borrower.

1.2 Warranty of Title. At the time of the delivery of these presents, Borrower is well seized of an indefeasible estate in fee simple in the portion of the Mortgaged Property which constitutes real property and owns good title to the portion of the Mortgaged Property which constitutes personal property, subject only to those matters set forth in Exhibit B attached hereto and made a part hereof, and has good right, full power and lawful authority to convey mortgage and grant a security interest in the same in the manner and form aforesaid; that, except as set forth in Exhibit B hereto, the same is free and clear of all liens, charges, easements, covenants, conditions, restrictions, matters and encumbrances whatsoever, including, as to the personal property and fixtures, security agreements, conditional sales contracts and anything of a similar nature; and that Borrower shall and will warrant and forever defend the title to the Mortgaged Property against the claims of all persons whomsoever.

1.3 Taxes, Liens and Other Charges.

A. Borrower will pay or cause to be paid promptly, when and as due, and will promptly exhibit to Lender receipts for the payment of, all taxes, assessments, water rates, license fees, dues, charges, fines and impositions of every nature whatsoever

charged, imposed, levied or assessed or to be charged, imposed, levied, or assessed upon or against the Mortgaged Property or any part thereof; or upon the interest of Lender in the Mortgaged Property, as well as all income taxes, assessments and other governmental charges lawfully levied and imposed by the United States of America or any state, county, municipality or other taxing authority in respect of the Mortgaged Property or any part thereof, or any charge which, if unpaid, would or could become a lien or charge upon the Mortgaged Property, or any part thereof.

B. Borrower will not suffer any mechanics', laborer's, materialmen's, statutory or other lien or any security interest or encumbrance to be created or to remain outstanding upon any of the Mortgaged Property.

C. In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of mortgages or debts secured by mortgages or the manner of collecting taxes so as to affect adversely Lender, all sums secured by this Mortgage and all interest accrued thereon shall, at the option of Lender, become immediately due and payable.

D. Borrower will pay when due any charges for utilities, whether public or private, with respect to the Mortgaged Property or any part thereof and all license fees, rents or other charges for the use of vaults, canopies or other appurtenances to the Mortgaged Property.

1.4 No Tax Credits. Borrower will not claim or demand or be entitled to receive any credit or credits on the principal or interest payable under the terms of the Note or on any other sums secured hereby, for so much of the taxes, assessments or similar charges assessed against the Mortgaged Property or any part thereof, as are applicable to the indebtedness secured hereby or to Lender's interest in the Mortgaged Property. No deduction shall be claimed from the taxable value of the Mortgaged Property or any part thereof by reason of the Note or this Mortgage.

1.5 Insurance. A policy or policies of comprehensive general liability insurance (and during any period of construction, contractor's liability and worker's compensation insurance), with liability under the comprehensive liability insurance together with any umbrella insurance policy with aggregate general liability coverage, to be not less than Three Million Dollars (\$3,000,000.00) combined single limit, to protect Lender and Borrower against any liability incident to the use of, or resulting from any accident occurring on or about, the Mortgaged Property or relating to any construction on the Mortgaged Property. An "all risk" policy or policies insuring the Mortgaged Property against loss or damage by fire and such other hazards as may be reasonably required by Lender, including, but not limited to, extended coverage, vandalism, malicious mischief and sprinkler leakage for at least one hundred percent (100%) of the insurable replacement value of the Mortgaged Property. As to any portion of the Land located in a flood hazard area, flood hazard insurance with companies and coverage satisfactory to Lender (or evidence satisfactory to Lender that the Land is not in a flood hazard area). Such policies shall have premiums prepaid and shall name Lender as an additional insured or as a mortgagee, as appropriate. Such insurance policies shall be with companies, with

coverage and in amounts and shall contain a mortgagee's loss payable clause, all satisfactory to Lender and each such policy shall provide that same may not be cancelled or amended by any party for any reason whatsoever without first giving Lender at least thirty (30) days prior written notice of any proposed cancellation or amendment.

Lender is hereby authorized and empowered, at its option, to make or file proofs of loss or damage and to adjust or compromise any loss under any insurance policies on the Mortgaged Property, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Lender instead of to Borrower. After deducting from such insurance proceeds all of its reasonable expenses incurred in the collection and administration of such sums, including attorneys' fees, Lender may apply the net proceeds or any part thereof, at its option, either toward restoring the Mortgaged Property or as a credit on any portion of the indebtedness secured hereby selected by it, whether then matured or to mature in the future, or at the option of Lender, such sums either wholly or in part may be paid over to Borrower, on such terms and conditions as Lender in its discretion may specify, to be used to repair the building, structures or improvements, or to build new ones in their place, or for any other purpose or object satisfactory to Lender, without affecting the lien of this Mortgage for the full amount secured hereby before such payment took place. Lender shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

1.6 Condemnation. If all or any material part of the Mortgaged Property shall be damaged or taken through condemnation (which term, when used in this Mortgage, shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, the entire indebtedness secured hereby shall, at the option of Lender, become immediately due and payable. Lender shall be entitled to all compensation, awards and other payments or relief therefor and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or Borrower's name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation, awards, damages, claims, rights, actions and proceedings, and the right thereto, are hereby assigned by Borrower to Lender. After deducting from such condemnation proceeds all of its expenses incurred in the collection and administration of such sums, including reasonable attorneys' fees, Lender may apply the net proceeds or any part thereof, at its option, either toward restoring the Mortgaged Property or as a credit on any portion of the indebtedness secured hereby selected by it whether then matured or to mature in the future, or for any other purpose or object satisfactory to Lender without affecting the lien of this Mortgage. Borrower agrees to execute such further assignments of any compensation, awards, damages, claims, rights, actions and proceedings as Lender may require. Lender shall not be held responsible for any failure to collect any amount in connection with any such proceeding regardless of the cause of such failure.

1.7 Care of the Property.

A. Borrower will preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Borrower will not do or suffer to be done

anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

B. If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Borrower will give immediate written notice of the same to Lender.

C. Lender or its representative is hereby authorized to enter upon and inspect the Mortgaged Property at any time during normal business hours during the term of this Mortgage, subject to the rights of tenants in possession thereof.

D. Borrower will promptly comply, and cause the Mortgaged Property and the occupants or users thereof to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof or the use or occupancy thereof.

E. If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, Borrower will promptly restore the Mortgaged Property to the equivalent of its original condition, regardless of whether or not there shall be any insurance proceeds therefor and whether or not the same are made available by Lender for such purpose. If a part of the Mortgaged Property shall be physically damaged through condemnation, Borrower will promptly restore, repair or alter the remaining property in a manner satisfactory to Lender.

1.8 Further Assurances; After Acquired Property. At any time and from time to time, upon request by Lender, Borrower will make, execute and deliver or cause to be made, executed and delivered, to Lender, and where appropriate, to cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by Lender, any and all such other and further mortgages, security agreements, financing statements, continuation statements, instruments of further assurances, certificates and other documents as may, in the opinion of Lender, be necessary or desirable in order to effectuate, complete, enlarge or perfect, or to continue and preserve (a) the obligations of Borrower under the Note and this Mortgage, and (b) the lien and security interest of this Mortgage as a first and prior lien and security interest upon all of the Mortgaged Property, whether now or hereafter acquired by Borrower. Upon any failure by Borrower so to do, Lender may make, execute, record, file, re-record and/or refile any and all such mortgages, security agreements, financing statements, continuation statements, instruments, certificates and documents for and in the name of Borrower, and Borrower hereby irrevocably appoints Lender the agent and attorney-in-fact of Borrower to do so. The lien and security interest hereof will automatically attach, without further act, to all after acquired property attached to and/or used in the operation of any improvements now or hereafter located on the Mortgaged Property or any part thereof.

1.9 Leases and Other Agreements Affecting the Mortgaged Property. Borrower will duly and punctually perform all terms, covenants, conditions and agreements binding upon it or the Mortgaged Property under any lease or any other agreement or instrument of any nature whatsoever which involves or affects the Mortgaged Property or any part thereof. Borrower represents and warrants that it has heretofore furnished Lender with true and complete copies of

all such leases, agreements and instruments existing on the date of this Mortgage. Borrower agrees to furnish Lender with executed copies of all leases hereafter entered into with respect to all or any part of the Mortgaged Property. Borrower will not, without the express written consent of Lender, enter into any new lease or modify, surrender, terminate, extend or renew, either orally or in writing, any lease now existing or hereafter created upon the Mortgaged Property or any part thereof, nor will Borrower permit an assignment or sublease without the express written consent of Lender. Borrower represents and warrants that the Guaranty dated March, 1995 made by Plastic Containers, Inc. guaranteeing the obligations of the tenant under the existing lease is in full force and effect and that Borrower will not modify the terms of the guaranty or release the guarantor from its obligations without the express written consent of Lender.

1.10 Estoppel Affidavits. Borrower, within ten (10) days after written request from Lender, shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the indebtedness secured hereby and whether or not any offsets or defenses exist against such principal and interest.

1.11 Subrogation. Lender shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the indebtedness secured hereby.

1.12 Impairment of Security. Without limitation of any other provision hereof, Borrower will not assign, in whole or in part, the rents, income or profits arising from the Mortgaged Property without the prior written consent of Lender; any such assignment made without Lender's prior written consent shall be null and void and of no force and effect and the making thereof shall, at the option of Lender, constitute an Event of Default under this Mortgage. Without limitation of the foregoing, Borrower will not in any other manner impair the security of this Mortgage for the payment of the indebtedness secured hereby.

1.13 Use of Mortgaged Property. Borrower will not make, suffer or permit, without the prior written consent of Lender, which consent will not be unreasonable withheld, any use of the Mortgaged Property for any purpose other than that for which the same is used or intended to be used as of the date of this Mortgage.

1.14 Use of Proceeds.

A. Borrower represents and agrees that the proceeds of the Note secured by this Mortgage will be used for the purposes specified in Paragraph 6404, Section 4(1)(c) of 815 ILCS 205/4 (1992), and that the indebtedness secured hereby constitutes a business loan which comes within the purview of said section.

B. All agreements between Borrower and Lender (including, without limitation, this Mortgage, the Note and any other documents securing the indebtedness secured hereby) are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to Lender exceed the highest lawful rate of interest permissible under the laws of the State of Illinois. If, from any circumstances whatsoever, fulfillment of any provision hereof or of the Note or any other documents securing the indebtedness secured hereby, at the time performance of such provision shall be due, shall involve

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payment of interest exceeding the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then ipso facto, the obligation to be fulfilled shall be reduced to the highest lawful rate of interest permissible under the laws of the State of Illinois, and if for any reason whatsoever, Lender shall ever receive as interest an amount which would be deemed unlawful, such interest shall be applied to the payment of the principal of the indebtedness secured hereby (whether or not then due and payable) and not to the payment of interest.

1.15 Prohibition of Transfer. Borrower will not, without the prior written consent of Lender, sell, assign or transfer, whether by operation of law or otherwise, or contract to sell, assign or transfer all or any portion of its interest in the Mortgaged Property, provided, however, that Lender's prior written consent shall not be required if the indebtedness secured by the Mortgage is paid prior to or concurrently with any such sale, assignment or transfer. No membership interest in Borrower shall be sold, assigned, or transferred without the prior written consent of Lender. Any such sale, assignment or transfer made or contracted for without Lender's prior written consent shall be null and void and of no force and effect, but the attempt at the making thereof or contracting therefor shall, at the option of Lender, constitute an event of default under this Mortgage. The foregoing provisions of this paragraph shall not apply to any transfers of any interest in the Mortgaged Property or beneficial interests therein, as the case may be, by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate or personal representatives.

1.16 Prohibition of Further Encumbrances. Borrower will not, without the prior written consent of Lender, further mortgage, grant a deed of trust, pledge or otherwise encumber, whether by operation of law or otherwise, all or any of its interest in the Mortgaged Property. Any such encumbrance made without Lender's prior written consent shall be null and void and of no force or effect, but the attempt at the making thereof shall, at the option of Lender, constitute an Event of Default under this Mortgage.

ARTICLE 2

2.1 Events of Default. The terms "Event of Default" and "Events of Default," wherever used in this Mortgage, shall mean any one or more of the following events:

A. Failure by Borrower to pay within five (5) days of the date when due, any payment of interest due under the Note, principal due under the Note, or any payment under this Mortgage or to make when due any deposits required by Paragraph 1.3 hereof; or

B. Failure by Borrower to duly observe or perform any other term, covenant, condition or agreement of this Mortgage and such failure continues for thirty (30) days after written notice to Borrower of such failure unless such failure is not reasonably capable of being cured within such 30 day period (but is reasonably capable of being secured within 60 days after such notice) and Borrower commences action to cure such

failure within such 30 day period and diligently and continually prosecutes such action to completion and causes such failure to be cured within 60 days after such notice; or

C. The occurrence of a prohibited transfer, as described in Paragraph 1.15 above;
or

D. The breach of any of the representations or warranties of Borrower as set forth in this Mortgage; or

E. Failure by Borrower or any beneficiary of Borrower if Borrower is a trust to duly observe or perform any term, covenant, condition or agreement in any assignment of lease, assignment of rents or any other agreement or instrument providing collateral for or guaranteeing the performance of the Note or this Mortgage (and not constituting an Event of Default under subparagraph (a) above) and the expiration of all applicable grace and/or cure periods; or

F. The filing by Borrower or by any guarantor of the indebtedness secured hereby of a voluntary petition in bankruptcy or Borrower's or such guarantor's adjudication as a bankrupt or insolvent, or the filing by Borrower or such guarantor of any petition or answer seeking or acquiescing in an reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself or himself under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief for debtors, or Borrower's or such guarantor's seeking or consenting to or acquiescing in the appointment of any trustee, receiver or liquidator of itself or any portion of its or assets or of all or any part of the Mortgaged Property or of any or all of the rents, issues, profits or revenues thereof, or the making of any general assignment for the benefit of creditors, or the admission in writing of its inability to pay its debts generally as they become due; or

G. The entry by a court of competent jurisdiction of an order, judgment or decree approving a petition filed against Borrower or guarantor seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other similar relief for debtors, which order, judgment or decree remains unvacated and unstayed for an aggregate of thirty (30) days (whether or not consecutive) from the date of entry thereof, or the appointment of any trustee, receiver or liquidator of Borrower or any such guarantor or of all or any part of the Mortgaged Property or of any or all of the rents, issues, profits or revenues thereof without its consent or acquiescence, which appointment shall remain unvacated or unstayed for an aggregate of thirty (30) days (whether or not consecutive).

2.2 Acceleration of Maturity. If an Event of Default shall have occurred, then the entire indebtedness secured hereby shall, at the option of Lender, immediately become due and payable without notice or demand.

2.3 Lender's Right to Enter and Take Possession, Operate and Apply Revenues.

A. If an Event of Default shall have occurred, Borrower, upon demand of Lender, shall forthwith surrender to Lender the actual possession, and if and to the extent permitted by law, Lender itself, or by such officers or agents as it may appoint, may enter and take possession, of all or any part of the Mortgaged Property, and may exclude Borrower and its agents and employees wholly therefrom, and may have joint access with Borrower to the books, papers and accounts of Borrower.

B. If Borrower shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after such demand by Lender, Lender may obtain a judgment or decree conferring on Lender the right to immediate possession or requiring the delivery of immediate possession of all or part of such Mortgaged Property to Lender, to the entry of which judgment or decree Borrower specifically consents.

C. Borrower will pay to Lender, upon demand, all reasonable expenses (including, without limitation, reasonable fees and expenses of attorneys, accountants and agents) of obtaining such judgment or decree or of otherwise seeking to enforce its rights under the Note or this Mortgage; and all such expenses shall, until paid, be secured by the Mortgage and shall bear interest at the Default Rate as defined in the Note.

D. Upon every such entering upon or taking of possession, Lender may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof, and, from time to time: (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty or other property; (ii) insure or keep the Mortgaged Property insured; (iii) manage and operate the Mortgaged Property and exercise all the rights and powers of Borrower to the same extent as Borrower could in its own name or otherwise with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Lender, all as Lender from time to time may determine to be to its best advantage. Lender may collect and receive all the rents, issues, profits and revenue of the same, including those past due as well as those accruing thereafter, and, after deducting (aa) all expenses of taking, holding, managing and operating the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other similar charges as Lender may determine to pay; (ee) other proper charges upon the Mortgaged Property or any part thereof; and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of Lender, shall apply the remainder of the monies and proceeds so received by Lender, first to payment of accrued interest; and second to the payment of principal.

E. Lender shall have no liability for any loss, damage, injury, cost or expense resulting from any action or omission by it or its representatives which was taken or omitted in good faith.

F. If any Event of Default shall occur, Lender may, in addition to any other rights and remedies hereunder and under the Illinois Mortgage Foreclosure Act, exercise any and all remedies provided in the Loan Agreement.

2.4 Performance by Lender of Defaults. If default shall occur in the payment, performance or observance of any term, representation, warranty, covenant or condition of this Mortgage (whether or not the same shall constitute an Event of Default), which could endanger or threaten to diminish the value of the Mortgaged Property or any collateral securing the Note, Lender may, at its option, pay, perform, or observe the same or take any action necessary to cause any representation or warranty to be true, and all payments made costs or expenses incurred by Lender in connection therewith, shall be secured hereby and shall be, without demand, immediately repaid by Borrower to Lender with interest thereon at the Default Rate. Lender shall be the sole judge of the necessity for any such actions and of the amounts to be paid. Lender is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Borrower or any person in possession holding under Borrower.

2.5 Receiver. If an Event of Default shall have occurred, Lender, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right without notice and without regard to the occupancy or value of any security for the indebtedness or the insolvency of any party bound for its payment to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits, and revenues thereof. The receiver shall have all of the rights and powers to the fullest extent permitted by law. Borrower will pay to Lender upon demand (with interest thereon at the Default Rate) all reasonable expenses, including receiver's fees, attorneys' fees, costs and agent's compensations, incurred pursuant to the provisions of this Paragraph 2.5; and all such expenses shall be secured by this Mortgage and shall bear interest at the Default Rate.

2.6 Lender's Power of Enforcement. If an Event of Default shall have occurred, Lender may, either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy (a) to enforce payment of the Note or the performance of any term, covenant, condition or agreement of this Mortgage or any other right, (b) to foreclose this Mortgage and to sell the Mortgaged Property as an entirety or otherwise, as Lender may determine, and (c) to pursue any other remedy available to it all as Lender shall deem most effectual for such purposes. Lender may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, as Lender may determine. Lender may elect to pursue any one or more or all of the foregoing, all specifically in addition to remedies provided under the Illinois Mortgage Foreclosure Act.

2.7 Purchase by Lender. Upon any foreclosure sale, Lender may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part of the indebtedness secured hereby as a credit to the purchase price.

2.8 Fees and Expenses; Application of Proceeds of Sale. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness secured hereby in the

decree for sale all reasonable costs and expenses which may be paid or incurred by or on behalf of Lender or holders of the Note for attorneys' fees, appraiser's fees, receiver's costs and expenses, insurance, taxes, outlays for documentary and expert evidence, costs for preservation of the Mortgaged Property, stenographer's charges, publication costs and costs of procuring all abstracts of title, title searches and examinations, guarantee policies, Certificates of Title issued by the Registrar of Titles (Torrens certificates), and similar data and assurances with respect to title as Lender or holders of the Note may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or value of the Mortgaged Property or for any other reasonable purpose. The amount of any such reasonable costs and expenses which may be paid or incurred after the decree for sale is entered may be estimated and the amount of such estimate may be allowed and included as additional indebtedness secured hereby in the decree for sale. In the event of a foreclosure sale of the Mortgaged Property, the proceeds of said sale shall be applied, first, to the expenses of such sale and of all proceedings in connection therewith, including attorneys' fees, then to insurance premiums, liens, assessments, taxes and charges, including utility charges, then to payment of the outstanding principal balance of the indebtedness secured hereby, then to the accrued interest on all of the foregoing, and finally the remainder, if any, shall be paid to Borrower.

2.9 Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws.

Borrower agrees to the full extent permitted by law, that if an Event of Default occurs hereunder, neither Borrower nor anyone claiming through or under Borrower shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension, homestead, reinstatement or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the property hereby conveyed, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat, and Borrower, for itself and all who may at any time claim through or under it, hereby waives and releases to the full extent that it may lawfully so do, the benefit of all such laws (including, without limitation, all rights under and by virtue of the homestead exemption laws of the State of Illinois) and any and all rights to have the assets comprised in the security intended to be created hereby marshalled upon any foreclosure of the lien hereof.

2.10 Leases. Lender, at its option, is authorized to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by Borrower, a defense to any proceedings instituted by Lender to collect the sums secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

2.11 Discontinuance of Proceedings and Restoration of the Parties. In case Lender shall have proceeded to enforce any right, power or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Lender, then and in every such case Borrower and Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Lender shall continue as if no such proceeding had been taken.

2.12 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Lender by this Mortgage is intended to be exclusive of any other right, power or remedy, but

each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

2.13 Waiver. No delay or omission of Lender or of any holder of the Note to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Mortgage to Lender may be exercised from time to time and as often as may be deemed expedient by Lender. No consent or waiver, expressed or implied, by Lender to or of any breach or default by Borrower in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the same or any other obligations of Borrower hereunder. Failure on the part of Lender to complain of any acts or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Lender of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by Borrower.

If Lender (a) grants forbearance or an extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment of any sums secured hereby; (c) waives or does not exercise any right granted herein or in the Note or in any other document or instrument securing the Note; (d) releases with or without consideration any of the Mortgaged Property from the lien of this Mortgage or any other security for the payment of the indebtedness secured hereby; (e) changes any of the terms, covenants, conditions or agreements of the Note or this Mortgage or in any other document or instrument securing the Note; (f) consents to the filing of any map, plat or replat or condominium declaration affecting the Mortgaged Property; (g) consents to the granting of any easement or other right affecting the Mortgaged Property; or (h) makes or consents to any agreement subordinating the lien hereof; any such act or omission shall not release, discharge, modify, change or affect (except to the extent of the changes referred to in clause (e) above) the original liability under the Note, this Mortgage or any other obligation of Borrower or any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor; nor shall any such act or omission preclude Lender from exercising any right, power or privilege herein granted or intended to be granted in the event of any default then made or of any subsequent default, nor, except as otherwise expressly provided in an instrument or instruments executed by Lender, shall the lien of this Mortgage or the priority thereof be altered thereby, whether or not there are junior lienors and whether or not they consent to any of the foregoing. In the event of the sale or transfer, by operation or law or otherwise, of all or any part of the Mortgaged Property, Lender, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to such portion of the Mortgaged Property or the indebtedness secured hereby, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings. The foregoing shall not limit the prohibition against such sale or transfer set forth in Paragraph 1.18 hereof.

Without limitation of the foregoing, the right is hereby reserved by Lender to make partial release or releases of the Mortgaged Property, or of any other security held by Lender

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with respect to all or any part of the indebtedness secured hereby, without notice to, or the consent, approval or agreements of, other parties in interest, including junior lienors, which partial release or releases shall not impair in any manner the validity or priority of this Mortgage on the portion of said property not so released.

ARTICLE 3

3.1 Suits to Protect the Mortgaged Property. Lender shall have the power (a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or in violation of this Mortgage; (b) to preserve or protect its interest in the Mortgaged Property and in the rents, issues, profits and revenues arising therefrom; and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, regulation, rule, order or other requirement that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, regulation, rule, order or other requirement would impair the security hereunder or be prejudicial to the interest of Lender, and all costs and expenses incurred by Lender in connection therewith (including, without limitation, attorneys' fees) shall be paid by Borrower to Lender on demand (with interest at the Default Rate) and shall be additional indebtedness secured hereby.

3.2 Lender May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Borrower, its creditors or its property, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Lender allowed in such proceedings for the entire amount due and payable by Borrower under this Mortgage at the date of the institution of such proceedings and for any additional amount which may become due and payable by Borrower hereunder after such date.

3.3 Successors and Assigns. This Mortgage shall inure to the benefit of and be binding upon Borrower and Lender and their respective heirs, executors, legal representatives, successors, and assigns. Whenever a reference is made in this Mortgage to Borrower or Lender, such reference shall be deemed to include a reference to the heirs, executors, legal representatives, successors and assigns of Borrower or Lender.

3.4 Notices. All notices, demands and requests given or required to be given by either party hereto to the other party shall be in writing. All such notices, demands and requests by Lender to Borrower shall be deemed to have been properly given if served in person, if sent by United States registered or certified mail, return receipt requested, postage prepaid, or if sent by overnight courier express addressed to Borrower at:

Borrower:	2727 HIGGINS LLC
	320 West Illinois Street
	Chicago, Illinois 60610

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with a copy to:

Bell, Boyd & Lloyd **09206728**
Three First National Plaza
Suite 3300
Chicago, Illinois 60602
Attention: Randall Johnson

or to such other address as Borrower may from time to time designate by written notice to Lender given as herein required. All notices, demands, and requests by Borrower to Lender shall be deemed to have been properly given if served in person, if sent by United States registered or certified mail, return receipt requested, postage prepaid, or if sent by overnight courier express, addressed to Lender at:

Lender: LaSalle Bank National Association
135 S. LaSalle Street
Chicago, Illinois 60603
Attention: Steven M. Marks

with a copy to:

Gould & Ratner
222 North LaSalle Street
Suite 800
Chicago, Illinois 60601
Attention: John H. Mays

or to such other address as Lender may from time to time designate by written notice to Borrower given as herein required. Notices, demands and requests given by mail in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder three (3) business days after the time such notice, demand or request shall be deposited in the mails and notices, demands and requests given by overnight courier service shall be deemed sufficiently served or given for all purposes hereunder when delivered.

3.5 Terminology. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage itself, and all references herein to Articles, Sections or Paragraphs shall refer to the corresponding Articles, Sections or Paragraphs of this Mortgage unless specific reference is made to such Articles, Sections or Paragraphs of another document or instrument.

3.6 Severability. If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

3.7 Applicable Law. This Mortgage shall be interpreted, construed and enforced according to the laws of the State of Illinois.

3.8 Security Agreement. This Mortgage shall be construed as a "security agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures or personal property. Lender shall have the rights with respect to such fixtures and personal property afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Lender by this Mortgage or any other agreement.

3.9 Modification. No change, amendment, modification, cancellation or discharge hereof, or any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

3.10 No Merger. It being the desire and the intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Lender acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary intent is manifested by Lender as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

3.11 Delivery of Summons, Etc. If any action or proceeding shall be instituted to evict Borrower or recover possession of the Mortgaged Property or any part thereof or otherwise affecting the Mortgaged Property or this Mortgage, Borrower will immediately, upon service thereof on or by Borrower, deliver to Lender a true copy of each precipe, petition, summons, complaint, notice of motion, order to show cause and all other process, pleadings and papers, however designated, served in any such action or proceeding.

3.12 No Partnership. Borrower acknowledges and agrees that in no event shall Lender be deemed to be a partner or joint venturer with Borrower. Without limitation of the foregoing, Lender shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document securing any portion of the indebtedness secured hereby or on account of receiving contingent interest, if any, or any release fee for partial releases of this Mortgage, or otherwise.

IN WITNESS WHEREOF, Borrower has executed this instrument the day and year first above written.

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MORTGAGOR:

09206728

2727 HIGGINS LLC

an Illinois limited liability company

By: CARON, INC.

Its sole member

By: _____

Its _____ President

ATTEST: _____

Its _____ Secretary

Property of Cook County Clerk's Office

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09206728

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____ and _____, personally known to me as the _____ President and _____ Secretary, respectively, of CARON INC., an Illinois corporation, sole member of 2727 HIGGINS LLC, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the same instrument, as their free and voluntary act and as the free and voluntary act and deed of said corporation as the sole member of 2727 HIGGINS LLC, for the uses and purposes therein set forth.

GIVEN under my hand and seal this ___ day of December, 1999.

Notary Public

My Commission expires: _____

Property of Cook County Clerk's Office

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EXHIBIT A

LEGAL DESCRIPTION OF THE REAL ESTATE

Lot 32 and 33 in Antex Industrial Park Unit No. 6, being a subdivision in Sections 26 and 35, Township 41 North, Range 11, East of the Third Principal Meridian, in Cook County, Illinois

P.I.N. #08-26-410-003-0000
08-35-200-014-0000
08-35-200-028-0000

09206728

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09206728

EXHIBIT B

PERMITTED EXCEPTIONS

1. GENERAL TAXES NOT YET DUE AND PAYABLE
2. EXCEPTION NOS. Y-9, Q-11, M-13, P-14, H-15, O-16, P-17, G-18, K-19, D-21 AS SET FORTH ON COMMITMENT 007813510, DATED DECEMBER 17, 1999 ISSUED BY CHICAGO TITLE INSURANCE COMPANY.

Property of Cook County Clerk's Office

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09206728

MORTGAGOR:

2727 HIGGINS LLC
an Illinois limited liability company

By: CARON, INC.
Its sole member

By: [Signature]
Its _____ President *CA 13/2012 or 1/1/12*

ATTEST: [Signature]
Its _____ Secretary

Property of Cook County Clerk's Office

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09206728

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, KAREN OSIECKI MEEHAN, a Notary Public in and for said County, in the State aforesaid, do hereby certify that PHIL SUDAKOFF and ANITA SUDAKOFF, personally known to me as the CHAIRMAN OF THE BOARD President and Secretary, respectively, of CARON INC., an Illinois corporation, sole member of 2727 HIGGINS LLC, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the same instrument, as their free and voluntary act and as the free and voluntary act and deed of said corporation as the sole member of 2727 HIGGINS LLC, for the uses and purposes therein set forth.

GIVEN under my hand and seal this 27th day of December, 1999.



Karen Osiecki Meehan
Notary Public

My Commission expires: _____

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09206728

EXHIBIT A

LEGAL DESCRIPTION OF THE REAL ESTATE

Lot 32 and 33 in Antex Industrial Park Unit No. 6, being a subdivision in Sections 26 and 35, Township 41 North, Range 11, East of the Third Principal Meridian, in Cook County, Illinois

P.I.N. #08-26-410-003-0000
08-35-200-014-0000
08-35-200-028-0000

Property of Cook County Clerk's Office

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EXHIBIT B

09206728

PERMITTED EXCEPTIONS

1. GENERAL TAXES NOT YET DUE AND PAYABLE
2. EXCEPTION NOS. Y, Q, M, P, H, O, P, G, K, AS, AS
SET FORTH ON COMMITMENT 007813510, DATED DECEMBER 17, 1999
ISSUED BY CHICAGO TITLE INSURANCE COMPANY.

Property of Cook County Clerk's Office