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Illinois Anti-Predatory Lending Database Program



Certificate of Exemption

Doc#: 1121404035 Fee: \$86.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 08/02/2011 09:16 AM Pg: 1 of 26

CT 844129084

201122360

2014

Report Mortgage Fraud
800-532-8785

The property identified as: Pin: 11-30-115-031-0000

Address:

Street: 1201 W HOWARD

Street line 2:

City: EVANSTON

State: IL

ZIP Code: 60202

Lender: WHOLESAL OIL COMPANY

Borrower: MICHEAL DAVID

Loan / Mortgage Amount: \$340,000.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

Certificate number: C76DDB98-8764-483F-8196-0217142559F9

Execution date: 07/15/2011

S	W
P	26
S	V
SC	V
INT	EB

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Prepared By:
 Richard A. Wolfe
 Wolfe & Polovin
 180 N. LaSalle Street, suite 2420
 Chicago, Illinois 60601

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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (the "Mortgage"), dated effective as of July 15, 2011 is from **Michael C. David** (hereinafter referred to as "Mortgagor"), having an address at 1201 W. Howard, Evanston, Illinois 60202 to Wholesale Oil Company, an Illinois corporation (hereinafter referred to as "Mortgagee"), its successors and assigns, having an address at 4055 W. Peterson, #203, Chicago, Illinois 60646.

WITNESSETH, that to secure the payment of an indebtedness in the amount of **THREE HUNDRED FORTY THOUSAND AND NO/100THS DOLLARS (\$340,000.00)** lawful money of the United States, to be paid with interest thereon according to a certain note bearing even date herewith between Mortgagor and Mortgagee, as well as any extension, modification, renewal or substitution thereof (the "Note") between Mortgagor and Mortgagee, dated of even date herewith, the Mortgagor hereby mortgages, conveys and transfers to the Mortgagee all of Mortgagor's right, title and interest in the property located at 1201 W. Howard, Evanston, Illinois 60202 (the "Premises" or "Mortgaged Premises") situated in Cook County, State of Illinois, and legally described in Exhibit A attached hereto and made a part hereof.

Together with (i) all improvements now or hereafter located thereon, (ii) all easements, rights-of-way and rights used in connection therewith or with a means of access thereto and all tenements, hereditaments and appurtenances thereto (iii) all fixtures and all furniture, equipment and other personalty (excluding inventory goods) customarily located on, in or upon said real property, including but not limited to all machinery used in the operation of the business conducted on said real property, as well as any and all additions, substitutions, replacements and proceeds thereto or there from, (collectively referred to herein as "Personalty"), (iv) all right, title and interest of the Mortgagor in and to any and all leases, now or hereafter on or affecting the property described in Exhibit A, (v) all rents, issues and profits of such real property, with full and complete authority and right in Mortgagee in case of default of this Mortgage to demand, collect, receive and receipt for such rents, issues and profits, (vi) all real property legally described in Exhibit A, together with the improvements thereon, the rights therein, the appurtenances thereto, the Personalty on, in, upon, attached to or installed therein, the rents, issues and proceeds thereof, the present and future estates and interest of Mortgagor therein, and (vii) all rights, licenses, permits (including, but not limited

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to, zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions which are applicable to the Mortgaged Premises or which have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Mortgaged Premises or any part thereof and not to initiate or acquiesce in any changes to or terminations of any of the foregoing or of zoning classifications affecting the use to which the Mortgaged Premises or any part thereof may be put without the prior written consent of Mortgagee.

And the Mortgagor covenants with the Mortgagee as follows:

1. **Payment of Indebtedness and Performance of all Obligations and Conditions.**

The Mortgagor will pay the indebtedness as in the Note provided and will otherwise duly comply with the terms thereof and further will timely perform all duties and obligations of Mortgagor under this Mortgage and all other documents guarantying or securing the Note, or delivered in connection with the Note and any renewals, extensions or modifications thereof (hereinafter "Loan Documents").

2. **Title to Premises.**

Mortgagor represents and covenants that Mortgagor is seized of a Fee Simple Estate in the Premises and the improvements therein, and that the Premises is free and clear of all liens and encumbrances, other than Permitted Encumbrances (as defined herein), (ii) Mortgagor has full legal power, right and authority to mortgage, pledge and convey the Fee Simple Estate and (iii) this Mortgage creates a first lien on the Fee Simple Estate, subject only to the Permitted Encumbrances.

3. **Maintenance of Premises Changes and Alterations.**

Mortgagor shall (a) promptly repair, restore, replace or rebuild any portion of the Premises which may become damaged or be destroyed whether or not proceeds of insurance are available or sufficient for that purpose; (b) keep the Premises in good condition and repair, free from waste; (c) pay all operating costs of the Premises; (d) complete, within a reasonable time, any building or buildings or other improvements now or at anytime in the process of erection upon the Premises; (e) comply with all requirements of statutes, ordinances, rules, regulations, orders, decrees and other requirements of law relating to the premises or any part thereof by any federal, state or local authority; (f) refrain from any action and correct any condition which would increase the risk of fire or other hazard to the Improvements or any portion thereof; (g) comply with any restrictions and covenants of record with respect to the Premises and the use thereof; and observe and comply with any conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including without limitation zoning variances, special exceptions and nonconforming uses), privileges, franchises and concessions that are applicable to the Premises or its use and occupancy; and (h) cause the Premises to be managed in a competent and professional manner. Without the prior written consent of Mortgagee, or its successors or assigns, Mortgagor shall not cause, suffer or permit any (i) material alterations (defined as an alteration the cost of which is in excess of \$20,000.00) of the Premises except as required by law or ordinance or except as permitted or required to be made by the terms of any Leases approved by Mortgagee; (ii) change in the intended use or occupancy of the Premises, including without limitation any change which would increase any

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fire or other hazard; (iii) change in the identity of the person or firm responsible for managing the Premises without Mortgagee's prior written consent.; (iv) zoning reclassification with respect to the Premises; (v) unlawful use of, or nuisance to exist upon, the Premises; or (vi) granting of any easements, licenses, covenants, conditions or declarations of use against the Premises, other than use restrictions contained or provided for in Leases approved by Mortgagee.

4. • Taxes and Liens.

Payment. Mortgagor shall pay or cause to be paid when due and before any penalty attaches, all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever levied or assessed against the Premises or any part thereof or any interest therein or any obligation or instrument secured hereby, and all installments thereof (all herein generally called "taxes"), whether or not assessed against Mortgagor, and Mortgagor shall furnish to Mortgagee receipts therefor on or before the date the same are due; and shall discharge any claim or lien relating to taxes upon the Premises.

Provided that Mortgagor pays all real estate taxes and insurance premiums on the Property promptly, no real estate tax escrow or insurance escrow shall be required. At the option of Mortgagee, Mortgagor shall pay all real estate taxes and insurance in accordance with this paragraph. Subject to applicable law or to a written waiver by Mortgagee, Mortgagor shall pay to Mortgagee on the day monthly installments of principal and interest are payable under the Note until the Note is paid in full, a sum (herein "Funds"), equal to one-twelfth of (a) the taxes and assessments which may be levied on the Property, plus a sum equal to 1/6th of the annual taxes and assessments as a reserve and (b) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Property as Mortgagee may require pursuant to paragraph 5 hereof, all as reasonably estimated initially and from time to time by Mortgagee on the basis of assessments and bills and reasonable estimates thereof. Any waiver by Mortgagee of a requirement that Mortgagor pay such Funds may be revoked by Mortgagee, in Mortgagee's sole discretion, at any time upon notice in writing to Mortgagor. Mortgagee may require Mortgagor to pay to Mortgagee, in advance, such other Funds for the other taxes, charges, premiums, assessments and impositions in connection with Mortgagor or the Premises which Mortgagee shall reasonably deem necessary to protect Mortgagee's interests (herein "Other Impositions"). Unless otherwise provided by applicable law, Mortgagee may require Funds for Other Impositions to be paid by Mortgagor in a lump sum or in periodic installments, at Mortgagee's option.

Mortgagee shall apply the Funds to pay said rents, taxes, assessments, insurance premiums and Other Impositions so long as Mortgagor is not in breach of any covenant or agreement of Mortgagor in this Instrument. Mortgagee shall make no charge for so holding and applying the Funds, analyzing said account or for verifying and compiling said assessments and bills. Mortgagor and Mortgagee may agree in writing at the time of execution of this Instrument that interest on the Funds shall be paid to Mortgagor, and unless such agreement is made or applicable law requires interest, earnings or profits to be paid, Mortgagee shall not be required by Mortgagor to any interest, earnings or profits on the Funds. Mortgagee shall give to Mortgagor, without charge, an annual accounting of the Funds in Mortgagee's normal format showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The funds are pledged as additional security for the sums secured by this Instrument.

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If the amount of the Funds held by Mortgagee exceeds the amount permitted by applicable law, Mortgagee shall account to the Mortgagor for the excess funds in accordance with the requirements of applicable law. If at any time the amount of the Funds held by Mortgagee shall be less than the amount necessary to pay taxes, assessments, insurance premiums, rents and Other Impositions, as they fall due, Mortgagor shall pay to Mortgagee any amount necessary to make up the deficiency within thirty days after notice from Mortgagee to Mortgagor requesting payment thereof. In the event the Mortgagor does not remit the sum to the Mortgagee necessary to pay taxes, assessments, insurance premiums, rents and other impositions within said thirty day period, Mortgagee may, in its discretion, but shall not be obligated to, advance funds necessary to pay the charges described in this paragraph, and any amounts advanced by the Mortgagee hereunder shall be added to the balance due under the Note, and interest shall accrue upon said amounts at the Interest Rate described in the Note. The failure of the Mortgagor to remit any amounts requested by the Mortgagee hereunder within thirty days of its notice to the Mortgagor shall be considered an Event of Default of this Mortgage, and thereafter interest shall accrue on any amounts advanced by the Mortgagee under this paragraph at the Default Rate described in the Note.

Upon Mortgagor's breach of any covenant or agreement of Mortgagor in this Instrument, Mortgagee may apply, in any amount and in any order as Mortgagee shall determine in Mortgagee's sole discretion, any Funds held by Mortgagee at the time of application (i) to pay rents, taxes, assessments, insurance premiums and Other Impositions which are now or will hereafter become due, or (ii) as a credit against sums secured by this Instrument. Upon payment in full of all sums secured by this Instrument, Mortgagee shall promptly refund to Mortgagor any Funds held by Mortgagee.

If the Mortgagor shall fail to pay and keep paid any real estate taxes or other liens encumbering the Premises, when due, in accordance with the requirements of this Paragraph, the Mortgagee shall have the rights, at its option and in addition to any other remedies available to it under this Mortgage, to pay such taxes or other liens, and any amounts paid thereon by the Mortgagee shall constitute additional indebtedness secured by this Mortgage, shall bear interest at the Default Rate, as set forth in the Note from the date of payment, and shall become immediately due and owing to the Mortgagee.

5. Insurance.

A. The Mortgagor shall maintain at its sole cost and expense, the following insurance coverage with respect to the Premises:

(i) Insurance against loss of or damage to the Premises by fire and such other risks as are customarily insured against in the area in which the Premises are located, including but not limited to, risks insured against under extended coverage policies with all risk and difference in conditions endorsements, in each case in amounts at all times sufficient to prevent the Mortgagor from becoming a co-insurer under the terms of the applicable policies and, in any event, in such amounts and against such insurable risks, as from time to time may reasonably be required by the Mortgagee.

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(ii) Comprehensive general liability insurance against any and all claims (including all costs and expenses of defending the same) for bodily injury or death and for property damage and environmental liability occurring upon, in or about the Premises and the adjoining streets or passageways in amounts not less than \$1,000,000.00, with a liability limit of not less than \$1,000,000.00.

The Mortgagor may effect for its own account any insurance not required under the provisions of subparagraph A hereof, but any insurance effected by the Mortgagor on the Premises, whether or not required under this Mortgage, shall be for the benefit of the Mortgagee and the Mortgagor, as their interests may appear, and shall be subject to the provisions of this Mortgage.

B. If the Mortgagor shall fail to keep the Premises insured in accordance with the requirements of this Paragraph, the Mortgagee shall have the rights, at its option and in addition to any other remedies available to it under this mortgage, to provide for such insurance and pay the premiums thereof, and any amounts paid thereon by the Mortgagee shall constitute additional indebtedness secured by this Mortgage, shall bear interest at the Default Rate, as set forth in the Note from the date of payment, and shall become immediately due and owing to the Mortgagee.

C. All policies of insurance to be furnished under this Mortgage shall be in forms and with companies reasonably satisfactory to the Mortgagee, with standard mortgage clauses attached to or incorporated in all policies in favor of the Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) calendar days' prior written notice to the Mortgagee. Any or all of such insurance may be provided for under a blanket policy or policies carried by the Mortgagor or any affiliated corporation.

D. The Mortgagor shall deliver to the Mortgagee copies of all insurance policies or certificates of coverage under blanket policies, including renewal or replacement policies, and in the case of insurance about to expire shall deliver renewal or replacement policies or binders as to the issuance thereof or certificates in the case of blanket policies not less than fourteen (14) days prior to their respective dates of expiration.

E. On all insurance policies of the character described in clauses (i) and (iii), of subparagraph A of this Paragraph 5, Mortgagee shall be named as Mortgagee in the standard mortgage clause and as an additional loss payee where appropriate and such insurance shall be for the benefit of the Mortgagor and the Mortgagee, as their interest may appear. All such insurance proceeds shall be applied in accordance with Paragraph 6 below, and any amounts not so applied shall be paid to the Mortgagor.

F. On all insurance policies of the character described in clauses (ii) and (v) of subparagraph A of this Paragraph 5, Mortgagee shall be named as an additional named insured thereunder.

G. In the event of any loss or damage to the Property, Mortgagor agrees that it shall continue to pay principal, interest, and such other sums as may be due under the Note or other Loan Documents.

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6. Damage or Destruction

A. In case of any damage to or destruction of the Premises or any part thereof from any cause whatsoever, other than a Taking (as defined in Paragraph 10 below), the Mortgagor shall promptly give written notice thereof to the Mortgagee, unless in Mortgagee's reasonable opinion such damage or destruction is less than Twenty Five Thousand Dollars (\$25,000.00). In any event, but subject to the provisions of subparagraph C of this Paragraph 6, Mortgagor shall restore, repair, replace, or rebuild the same or cause the same to be restored, repaired, replaced or rebuilt to substantially the same value, condition and character as existed immediately prior to such damage or destruction. Such restoration, repair, replacement or rebuilding (herein collectively called "Restoration") shall be commenced promptly and completed with diligence by the Mortgagor, subject only to delays beyond the control of the Mortgagor.

B. Subject to subparagraph C of this Paragraph 6, all net insurance proceeds received by the Mortgagee pursuant to this Paragraph 6, shall be made available to the Mortgagor for the Restoration required hereby in the event of damage or destruction on account of which such insurance proceeds are paid. If at any time the net insurance proceeds which are payable to the Mortgagor in accordance with the terms of this Mortgage shall be insufficient to pay the entire cost of the Restoration, the Mortgagor shall pay the deficiency. In such an event, Mortgagor shall make all payments from its own funds to the contractor making such Restoration until the amount of said deficiency has been satisfied; thereafter, Mortgagee shall, at its sole option, make subsequent payments from the insurance proceeds to the contractor, or such other party Mortgagee deems appropriate. All payments hereunder shall be made only upon a certificate or certificates of a supervising architect appointed by and reasonably satisfactory to the Mortgagee that payments, to the extent approved by such supervising architect, are due to such contractor for the Restoration, the Premises is free of all liens of record for work, labor or materials, and that the work conforms to the legal requirements therefor.

C. If an Event of Default (as hereinafter defined) shall occur, all insurance proceeds received by the Mortgagee may be retained by the Mortgagee and applied, at its option, in payment of the mortgage indebtedness and any excess repaid to or for the account of Mortgagor.

7. Indemnification.

The Mortgagor will protect, indemnify and save harmless the Mortgagee from and against all liabilities obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses), imposed upon or incurred by or asserted against the Mortgagee, as a result of (a) ownership of the Premises or any interest therein or receipt of any rent or other sum therefrom, (b) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Premises or any part thereof or on the adjoining non-public sidewalks, walkways or curbs, (c) any use, nonuse or condition of the Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, if any, the adjacent parking areas, streets or ways, (d) any failure on the part of the Mortgagor to perform or comply with any of the terms of this Mortgage, or (e) the performance of any labor or services or the furnishing of any materials or other property with respect to the Premises or any part thereof. Any amounts payable to the Mortgagee under this Paragraph which are not paid within thirty (30) days after written

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demand therefor by the Mortgagee shall bear interest at the Default Rate, as set forth in the Note from the date of such demand and shall constitute additional indebtedness secured by this Mortgage.

8. **Restrictions on Transfer.** (a). Mortgagor, without the prior written consent of Mortgagee, shall not effect, suffer or permit any Prohibited Transfer (as defined herein). Any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties or interests shall constitute a "Prohibited Transfer":

(i) Any shares of capital stock of a corporate Mortgagor, a corporation which is a general partner or managing member/manager in a partnership or limited liability company Mortgagor, or a corporation which is the owner of substantially all of the capital stock of any corporation described in this subparagraph (other than the shares of capital stock of a corporate trustee or a corporation whose stock is publicly traded on a national securities exchange or on the National Association of Securities Dealers' Automated Quotation System);

(ii) All or any part of the managers, managing member or member interest, as the case may be, in a limited liability company Mortgagor or a limited liability company which is a general partner of a partnership Mortgagor or a voting member of a limited liability Mortgagor.

(iii) All or any part of the general partner or joint venture interest, as the case may be, of a partnership Mortgagor or a partnership which is a manager of a limited liability company Mortgagor or the conversion of a partnership Mortgagor to a corporation or limited liability company; or

(iv) If there shall be any change in control (by way of transfers of stock, partnership or member interests, managers or otherwise) in any partner, member, manager or shareholder, as applicable, which directly or indirectly controls the day to day operations and management of Mortgagor and/or owns a controlling interest in Mortgagor;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly (including through nominee agreement), voluntarily or involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions of this Paragraph 8 shall not apply (a) to liens securing the Indebtedness, (b) to the lien of current taxes and assessments not in default, (c) intentionally deleted, or (d) to leases permitted by the terms of the Loan Documents, if any.

(b) In determining whether or not to make the Loan, Mortgagee evaluated the background and experience of Mortgagor in owning and operating property such as the Premises, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Premises which is Mortgagee's security for the Note. Mortgagor is well experienced in borrowing money and owning and operating property such as the Premises, were ably represented by a licensed attorney at law in the negotiation and documentation of the Loan and bargained at arm's length and without duress of any kind for all of the terms and conditions of the Loan, including this provision.

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Mortgagor further recognizes that any secondary junior financing placed upon the Premises (a) may divert funds which would otherwise be used to pay the Note; (b) could result in acceleration and foreclosure by any such junior encumbrancer which would force Mortgagee to take measures and incur expenses to protect its security; (c) would detract from the value of the Premises should Mortgagee come into possession thereof with the intention of selling same; and (d) would impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Premises. In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security, both of repayment and of value of the Premises; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; and (iii) keeping the Premises free of subordinate financing liens, Mortgagor agree that if this Paragraph 8 is deemed a restraint on alienation, that it is a reasonable one.

9. Priority of Lien: After-Acquired Property.

The Mortgagor will not, directly or indirectly, create or suffer or permit to be created, or to stand against the Premises, or any portion thereof, or against the rents, issues and profits thereof, any lien, security interest, encumbrance or charge prior to, on a parity with or subordinate to the lien of this Mortgage provided, however, that nothing herein contained shall require the Mortgagor to pay any Impositions or insurance premium prior to the last day on which the same shall become due and payable without penalty or prevent the Mortgagor from contesting the validity of any Impositions in accordance with the provisions of this Mortgage.

Subject to the rights granted under Paragraph 25, the Mortgagor will keep and maintain the Premises free from all liens for moneys due and payable to persons supplying labor for and providing materials used in the construction, modification, repair or replacement of the Premises. If any such liens shall be filed against the Premises, the Mortgagor agrees to cause the same to be discharged of record promptly after the Mortgagor has notice thereof. In no event shall Mortgagor do, or permit to be done, or omit to do, or permit the omission of, any act or thing, the doing of which, or omission to do which, would impair the security of this mortgage. The Mortgagor shall not initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restriction or agreement materially changing the uses which may be made of the Premises or any part thereof without the express written consent of the Mortgagee.

All property of every kind acquired by the Mortgagor after the date hereof which by the terms hereof, is required or intended to be subjected to the lien of this Mortgage shall, immediately upon the acquisition thereof by Mortgagor, and without any further mortgage, conveyance, assignment or transfer, become subject to the lien and security of this Mortgage. Nevertheless, Mortgagor will do such further acts and execute, acknowledge and deliver such further conveyances, mortgages, security agreements, financing statements and assurances as Mortgagee shall reasonably require for accomplishing the purpose of this Mortgage. If any action or proceeding shall be instituted to recover possession of the Premises or any or any part thereof or to accomplish any other purpose which would materially affect this Mortgage, Mortgagor will immediately, upon service of notice thereof, deliver to Mortgagee a true copy of each precept, 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.

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10. Condemnation.

A. The term "Taking" as used herein shall mean a Taking of all or part of the Premises under the power of condemnation or eminent domain. Promptly upon the receipt by Mortgagor of notice of the institution of any proceeding for the Taking of the Premises or any part thereof, Mortgagor shall give written notice thereof to Mortgagee and Mortgagee may, at its option, appear in any such proceeding. Mortgagor will promptly give to Mortgagee copies of all notices, pleadings, awards, determinations and other papers received by Mortgagor in any such proceeding. Mortgagor shall not adjust or compromise any claim for award or other proceeds of a Taking without having first given at least thirty (30) days' prior written notice to Mortgagee of the proposed basis of adjustment or compromise and without first having received the written consent thereto of Mortgagee. Any award or other proceeds of a Taking, after allowance for expenses incurred in connection therewith, are herein referred to as "Condemnation Proceeds".

B. In the event of a Taking of the Premises or any part thereof, the Condemnation Proceeds shall be paid to Mortgagee and applied to payment of the mortgage indebtedness. Mortgagee shall receive the first funds sufficient to satisfy indebtedness of Mortgagor including, principal, interest, penalties, taxes and attorneys fees and the balance of funds, if any, shall be paid to Mortgagor.

C. If an Event of Default shall occur, any Condemnation Proceeds in the hands of Mortgagee or to which Mortgagee is entitled may be retained by Mortgagee and, at its option, applied in payment of the mortgage indebtedness. Any amount remaining in the hands of Mortgagee following such application shall be paid to Mortgagor.

11. Right to Inspect.

Mortgagee, its agents and representatives, may at all reasonable times and with reasonable advanced written notice make such inspections of the Premises as Mortgagee may deem necessary or desirable but in no event shall the inspections be made more than twice during any calendar year.

12. Books and Records; Financial Statements.

Mortgagor will keep and maintain books of records and account relating to the Premises and operation thereof, including the leases relating to the Premises, which books of record and account shall, at all reasonable times, be open to the inspection of Mortgagee and its accountants and other duly authorized representatives of Mortgagee. Mortgagor shall enter in such books of record and account full, true and correct entries in accordance with generally accepted accounting principles of all dealings and transactions relative to the Premises therein. The above inspection shall only be allowed in the event Mortgagor is in default under the Note or Mortgage.

Mortgagor represents and warrants that the financial statements for Mortgagor and the Premises previously submitted to Mortgagee are true, complete and correct in all material respects, disclose all actual and contingent liabilities of Mortgagor or relating to the Premises and do not contain any untrue statement of a material fact or omit to state a fact material to such financial

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statements. No material adverse change has occurred in the financial condition of Mortgagor or the Premises from the dates of said financial statements until the date hereof.

13. Leases affecting Premises.

A. Mortgagor covenants and agrees to keep, observe, and perform and to require the tenants to keep, observe, and perform all of the covenants, agreements, and provisions of any present or future leases of any portion of the Premises on their respective parts to be kept, observed, and performed, and, in case Mortgagor shall neglect or refuse to do so, then Mortgagee may, if it shall so elect, perform and comply with or require performance and compliance by the tenants with any such lease covenants, agreements and provision, and any sums expended by Mortgagee in performance or compliance therewith or in enforcing such performance or compliance by the tenant, including costs, expenses, and reasonable attorneys' fees, shall bear interest from the date of such expenditures at the rate set forth in the Note, shall be paid by Mortgagor to Mortgagee upon demand and shall be deemed a part of the debt secured hereby and recoverable as such in all respects.

B. In addition to the covenants and terms herein contained and not in limitation thereof, Mortgagor covenants that the Mortgagor will not in any case cancel, abridge or otherwise modify the Leasehold or tenancies, subtenancies, leases, or subleases of the Premises or accept prepayments of installments of rent to become due thereunder.

The whole of the principal sum and the interest shall become due at the option of Mortgage if Mortgagor fails or refuses to comply with the provisions of this paragraph.

C. Mortgagor covenants and warrants that, in the event of the enforcement by the Mortgagee of the remedies provided for by law or by this mortgage, any person succeeding to the interest of the Mortgagor as a result of such enforcement shall not be bound by any payment of rent or additional rent for more than one (1) month in advance.

D. Mortgagor covenants and warrants that should Mortgagee succeed to the interest of the Mortgagor, as Landlord, under the terms of the leases, pursuant to a default as defined herein, Mortgagee shall not be liable for security deposits for any leases on the property.

14. Hazardous Substances.

Mortgagor covenants and represents that it shall maintain and keep the Premises free at all times of any environmental violation, waste, hazard or damage, including toxic chemicals, asbestos, or gasoline, and that the Mortgagor shall provide reasonable proof required by the Mortgagee that the Premises are free from any environmental waste, hazard, or damage. Further, the Mortgagor represents that the Premises shall not violate any state or federal environmental statute, regulation or law. The Mortgagor covenants and agrees that the Mortgagor shall not, nor shall the Mortgagor voluntarily permit any other person or entity to, place, hold, locate or dispose of any hazardous Substances on, under or at the Premises or any part thereof, except in accordance with applicable law. Without limiting the foregoing, Mortgagor shall not cause or knowingly permit the Premises to be used to generate, manufacture, refine or process Hazardous Substances, nor shall Mortgagor

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cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor or any tenant or subtenant, a release of hazardous Substances onto the Premises or onto any other property. Mortgagor shall comply with and use its reasonable efforts to ensure compliance by all tenants and subtenants with all applicable federal, state and local laws, ordinances, rules and regulations, and use reasonable efforts to ensure that any and all tenants and subtenants obtain and comply with any and all approvals, registrations or permits required thereunder. The Mortgagee reserves the right to require the Mortgagor to obtain environmental risk studies and reports at any time during the term of this Mortgage. If at any time any soil test or any other environmental test of the Premises evidences environmental violations or dangers, the Mortgagor shall have a period of sixty (60) days to remedy said violation and deliver an updated test to Mortgagee evidencing that the environmental violations or dangers have been remediated in accordance with all applicable laws. If the Mortgagor fails to remediate the environmental dangers evidenced by the requisite soil or environmental test within sixty (60) days, or if any other environmental violation, waste, hazard, or damage occurs on the Premises and is not remedied within said 60 day period and unless Mortgagor's actions are in compliance with all applicable laws, rules and regulations, are approved by all governmental agencies with jurisdiction, and neither the Premises, Mortgagor or Mortgagee are threatened or subject to any sanctions, fine, penalty, forfeiture or other action which may render Mortgagee insecure or reasonably cause Mortgagee to believe the security for the Loan or Mortgagor's ability to pay the same will be adversely affected, then said environmental violation, waste, hazard or damage shall be considered an Event of Default under the terms of this Mortgage, and the Mortgagee shall have the right, at its option, but shall have no obligation, to cure any environmental violation, waste, hazard or damage on behalf of the Mortgagor, and any and all amounts advanced by the Mortgagee hereunder shall become an additional indebtedness of the Mortgagor under the Note and this Mortgage, and interest shall accrue on said amounts advanced by the Mortgagee at the Default Rate as set forth in the Note. Any amounts advanced by the Mortgagee under this paragraph, plus interest thereon, shall be immediately due and payable by the Mortgagor.

The Mortgagee shall have the right to direct the Mortgagor to conduct environmental tests upon the Premises at the Mortgagor's expense and to provide the Mortgagee with updated test reports detailing the results of the environmental tests. Upon receipt of a request for an environmental test from the Mortgagee, the Mortgagor shall have a period of sixty (60) days to provide the Mortgagee with the results of the requisite environmental test, unless a shorter period is demanded by a local, state or federal governmental agency, in which case Mortgagor shall provide said results within the time period requested by such local, state or federal governmental agency. Any failure of the Mortgagor to conduct any environmental test requested by the Mortgagee, or to provide the Mortgagee with test results, shall be considered an Event of Default under the terms of this Mortgage.

The Mortgagor agrees that, in addition to its representations provided in paragraph 14 above, it shall, at its own expense, comply with any operation or management plan proposed by any state or federal agency for the removal of asbestos from the Premises. The failure of the Mortgagor to comply with this paragraph shall be considered an Event of Default under this Mortgage.

The Mortgagor hereby agrees to indemnify the Mortgagee, its employees, agents, officers and directors, and hold the Mortgagee harmless from and against any and all losses, liabilities (including strict liability), damages, injuries, penalties, fines, settlements, expenses and costs of whatever kind

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or nature, known or unknown, contingent or otherwise, including, without limitation, reasonable attorneys' fees, of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Mortgagee by any person or entity or governmental agency, for, with respect to, or as a direct or indirect result of (i) the presence of or under, or the escape, leakage, disposal, spillage, emission, discharge or release from the Premises of any Hazardous Substance in violation of applicable law or (ii) at any time, the incorrectness or breach of this covenant, warranty or representation set forth in this Mortgage, including, without limitation, any violation or claim arising under the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendment and Reauthorization Act, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, the Federal Environmental Pesticides Act, the Clean Water Act, the Clean Air Act, and so called federal, state or local "Superfund" or "Superlien" statute, or any other statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability (including strict liability), or standards of conduct concerning any Hazardous Substance, regardless of whether or not caused by, on behalf of, or within the control of the Mortgagor; provided however, that the Mortgagor shall not indemnify the Mortgagee for any such losses, liabilities, damages, injuries, expenses or costs related to or involving Hazardous Substances placed or disposed of on the Premises after Mortgagee acquired title to the Premises through foreclosure or deed in lieu of foreclosure.

For purposes of this Mortgage, the term "Hazardous Substances" shall mean and include those elements or compounds which are contained in the list of hazardous substances adopted by the United States Environmental Protection Agency ("EPA") and the list of toxic pollutants designated by Congress or the EPA or defined by any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability (including strict liability) or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereinafter in effect.

If the Mortgagor receives any notice or knowledge of (i) the occurrence of any event involving the use, spill, release, leak, seepage, discharge or clean up of any Hazardous Substance, or (ii) any complaint, order, citation or other notice with regard to air emissions, water discharges, or any other environmental, health or safety matter affecting the Mortgagor or the Premises (an "Environmental Complaint") from any person or entity (including, without limitation, the EPA) then the Mortgagor shall immediately notify the Mortgagee orally and in writing of any such notice and, if the Environmental Complaint is in writing, shall immediately deliver a copy of the Environmental Complaint to Mortgagee. Further, the Mortgagor shall immediately commence all actions necessary to clean up, remove, resolve and comply with any complaint, order, citation, notice or Environmental Complaint as may be required to comply with applicable law.

In addition to all other rights granted to the Mortgagee, upon the occurrence of an Environmental Complaint and the Mortgagor's failure to commence the clean up, removal or resolution of any Hazardous Substance or Environmental Complaint as required by applicable law within thirty (30) days notice of breach of a covenant or warranty or receipt of notice or knowledge specified herein and to thereafter continuously and diligently proceed with such clean up, removal or resolution, except as may be delayed by an act of God, strike, act of the public enemy, war, blockade, public riot, fire, storm, flood and explosion ("Force Majeure"), the Mortgagee shall have the right, but not the obligation, to enter onto the Premises or to take such other actions as it deems

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necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any such Hazardous Substance or Environmental Complaint following receipt of any notice from any person or entity (including without limitation, the EPA) asserting the existence of any Hazardous Substance or an Environmental complaint pertaining to the Premises or any part thereof, which, if true, could result in an order, suit or other action against the Mortgagee and/or which, in the reasonable opinion of the Mortgagee, could have a materially adverse impact on the value of the Premises or otherwise jeopardize the Mortgagee's lien against the Premises granted or created under the Mortgage. Any funds of the Mortgagee used for any purpose referred to in this Section shall constitute advances secured by the Loan Documents and shall bear interest at the Default Rate specified in the Note to be applicable after default thereunder.

The provision of this Section 14 shall be in addition to any and all other obligations and liabilities Mortgagee may have to Mortgagee and shall survive the transactions contemplated herein. Nothing in this paragraph shall prohibit the Mortgagee from using those chemicals or other substances generally used in an automobile repair facility.

15. Events of Default.

In the case one or more of the following events ("Events of Default") shall occur, to-wit:

A. If default shall be made in the payment of any installment of interest, or of principal and interest, on the Note, or in the payment of any other amount required to be paid thereunder and not cured as provided in the Note, or default shall be made in the payment as required by any other Loan Document when the same or any part thereof shall become due and payable, and if such default shall not have been cured within the time period, if any, given under such Loan Document; or,

B. Subject to the rights granted under Paragraph 25, if default shall be made in the payment of any Imposition when the same shall become due and payable, and if such default shall remain uncured for a period of thirty (30) days following such default; or,

C. If default shall be made in the performance of any of the other covenants or provisions of this Mortgage (other than as specified in this section 15) or other Loan Document and if such default shall remain uncured for a period of thirty (30) days after written notice from Mortgagee, provided that, if the default is curable but not reasonably capable of being cured within such thirty (30) day period, such default shall be deemed cured for the purposes hereof if, and so long as, Mortgagee shall commence such cure within such thirty (30) day period and diligently pursue said cure to completion; or,

D. If default shall be made in the performance of any of the other covenants or provisions of the Loan Documents and if such default shall remain uncured for a period of thirty (30) days after written notice from Mortgagee, provided that, if the default is curable but not reasonably capable of being cured within such thirty (30) day period, such default shall be deemed cured for the purposes hereof if, and so long as, Mortgagee shall commence such cure within such thirty (30) day period and diligently pursue said cure to completion; or,

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E. If Mortgagor shall make a general assignment for the benefit of creditors, or shall state in writing or by public announcement its inability to pay its debts as they become due, or shall file a petition in bankruptcy, or shall be adjudicated a bankrupt, or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or not contesting the material allegations of a petition against it in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Mortgagor or any material portion of their assets; or,

F. If, within sixty (60) days after the commencement of any proceeding against Mortgagor seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or if, within sixty (60) days after the appointment, without the consent or acquiescence of Mortgagor, of any trustee, receiver or liquidator of Mortgagor or any material portion of their assets, such appointment shall not have been vacated; or,

G. If a Prohibited Transfer occurs or any representation or warranty made by Mortgagor in this Mortgage, or made heretofore or contemporaneously herewith in any other instrument, agreement or written statement in any way related hereto or to the loan transaction with which this Mortgage is associated, shall prove to have been false or incorrect in any material respect on or as of the date when made and such falsity or incorrectness shall materially affect the security of this Mortgage.

H. If for any other reason Mortgagee shall in good faith but solely in its discretion deem itself insecure or the collateral granted to Mortgagee insufficient to secure Mortgagor's obligations as set forth in the Note, this Mortgage or any other Loan Document,

Then, in any such event, at the option of Mortgagee, the entire unpaid principal balance of the Note secured hereby, all applicable penalties, fees, prepayment premium and release fees, if any, or specified in the Note, and all accrued and unpaid interest under the Note, and any other sums secured hereby shall be due and payable immediately and, thereafter, each of said amounts shall bear interest at the Default Rate as defined in the Note. All costs and expenses incurred by, or on behalf of, Mortgagee (including, without limitation, reasonable attorneys' fees and expenses) occasioned by an Event of Default by Mortgagor hereunder shall be immediately due and payable by Mortgagor and, thereafter, each of said amounts shall bear interest at the Default Rate as defined under the Note. After any such Event of Default, Mortgagee may institute, or cause to be instituted, proceedings for the realization of its rights and remedies under this Mortgage, the Note and any of the Loan Documents.

16. Rights, Powers and Remedies of Mortgagee .

If an Event of Default shall occur, Mortgagee may, at any time, at its election and to the extent permitted by law and after expiration of any applicable grace period:

A. Foreclose this Mortgage as provided in the Illinois Mortgage Foreclosure Act and exercise any and all other rights and remedies available to Mortgagee.

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B. Advertise the Premises or any part thereof for sale and thereafter sell, assign, transfer and deliver the whole, or from time to time any part, of the Premises or any interest in any part thereof, at any private sale or at public auction, with or without demand upon Mortgagor, for cash, on credit or in exchange for other property, for immediate or future delivery, and for such price and on such other terms as Mortgagee may, in its discretion, deem appropriate or as may be required by law. The exercise of this power of sale by Mortgagee shall be in accordance with the provisions of any statute of the State of Illinois now or hereafter in effect which authorizes the enforcement of a mortgage by power of sale, or any statute expressly amending the foregoing:

C. Enter upon and take possession of the Premises or any part thereof by force, summary proceedings, ejectment or otherwise, and may remove Mortgagor and all other persons and any and all property therefrom, and may hold, operate, manage, and lease the same and receive all earnings, income, rents, issues and proceeds accruing with respect thereto. Mortgagee shall be under no liability for or by reason of such entry, taking of possession, removal, holding, operation or management, except that any amounts so received shall be applied as hereinafter provided in this Paragraph; and

D. Make application for the appointment of either an order for mortgagee in possession or a receiver, without bond, for the Premises whether such Mortgagee in possession or receivership be incident to a proposed sale of said Premises, any part thereof, or otherwise, and Mortgagor hereby consents to the appointment of such receiver and agrees not to oppose any such appointment. Further, Mortgagor agrees that Mortgagee shall be appointed mortgagee in possession or receiver of the Premises, at Mortgagee's option.

In the event the right to accelerate the indebtedness secured hereby or to foreclose the Mortgage has accrued to Mortgagee, whether the entire debt has then been accelerated, Mortgagee may take possession of the Premises. Should court proceedings be instituted, Mortgagor hereby consents to the entry of an order by agreement to effect and carry out the provisions of this Subparagraph C. While in possession of the Premises, Mortgagee shall have the following powers:

- (i) To collect the rents and manage, lease alter and repair the Premises, cancel or modify existing leases, obtain insurance and in general have all powers and rights customarily incident to absolute ownership; and
- (ii) To pay out of the rents so collected the management and repair charges, taxes, insurance, commissions, fees and all other expenses and, after creating reasonable reserves, apply the balance (if any), on account of the indebtedness secured hereby; and
- (iii) Any and all other powers set forth in the Loan Documents; and
- (iv) Any and all other powers available under the law.

Mortgagee may remain in possession of the Premises in the event of a foreclosure, until the foreclosure sale and thereafter during the entire period of redemption (if any), if a deficiency exists and pursuant to Court order. Mortgagee shall incur no liability for, nor shall Mortgagor assert any

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claim, set-off or recoupment as a result of, any action taken while Mortgagee is in possession of the Premises except only for Mortgagee's own gross negligence or willful misconduct. In the event no foreclosure proceedings are commenced, Mortgagee may remain in possession as long as there exists a Default.

In order to facilitate Mortgagee's exercise of the rights, powers and remedies granted above, Mortgagor hereby irrevocably appoints Mortgagee its true and lawful attorney to act in its name and stead for the purpose of effectuating any sale, assignment, transfer or delivery authorized above, whether pursuant to power of sale or otherwise, and to execute and deliver all such deeds, bills of sale, leases, assignments and other instruments as Mortgagee may deem necessary and appropriate. Notwithstanding the foregoing, if requested by Mortgagee or any purchaser from Mortgagee, Mortgagor shall ratify and confirm any such sale, assignment, transfer or delivery by executing and delivering to Mortgagee or such purchaser all appropriate deeds, bills of sale, leases, assignments and other instruments as may be designated in such request. Further, Mortgagor agrees that Mortgagee may be a purchaser of the Premises or any part thereof or any interest therein at any sale, whether pursuant to power of sale or otherwise, and may apply upon the purchase price the indebtedness secured hereby. Any purchaser at any sale shall acquire good title to the property so purchased, free of the lien of this Mortgage and free of all rights of redemption in Mortgagor. The receipt of the officer making the sale under judicial proceedings or of Mortgagee shall be sufficient discharge to the purchaser for the purchase money and such purchaser shall not be responsible for the proper application thereof.

Mortgagor hereby waives the benefit of all appraisement, valuation, stay, extension, redemption and equity of redemption laws now or hereafter in force and all rights of marshaling in the event of any sale hereunder of the Premises or any part thereof or any interest therein.

The Proceeds of any sale of the Premises or part thereof or any interest therein, whether pursuant to power of sale or otherwise hereunder, and all amounts received by Mortgagee by reason of any holding, operation or management of the Premises or any part thereof, together with any other moneys at the time held by Mortgagee, shall be applied in the following order:

First: To all costs and expenses of the sale of the Premises or any part thereof or any interest therein, or entering upon, taking possession of, removal from, holding, operating and managing the Premises or any part thereof, as the case may be, together with (a) the costs and expenses of any receiver of the Premises or any part thereof appointed pursuant hereto and (b) any taxes, assessments or other charges, prior to the lien of this Mortgage, which Mortgagee may consider necessary or desirable to pay;

Second: To any indebtedness secured by this Mortgage and at the time due and payable, other than the indebtedness with respect to the Note at the time outstanding;

Third: To all amounts of principal, premium, if any, interest at the time due and payable on the Note at the time outstanding (whether at maturity or on a date fixed for any installment payment or any prepayment or by declaration or acceleration or otherwise), including interest at the Default Rate, as set forth in the Note, and (to the extent permitted under applicable law) on any overdue interest and all other fees, charges or expenses under the Note and other Loan Documents: and, in

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case such moneys shall be insufficient to pay in full the amount so due and unpaid upon the Note, then, first, to the payment of all amounts of interest at the time due and payable on the Note, and second, to the payment of all amounts of principal and premium if any, at the time due and payable on the Note and

Fourth: The balance, if any, to the person or entity then entitled thereto pursuant to applicable state law.

Mortgagor hereby waives all rights of redemption and/or equity of redemption which exists either by statute and/or common law for sale under any order or decree of foreclosure of this Mortgage.

17. Remedies are Cumulative.

Each right, power and remedy of Mortgagee now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be available to Mortgagee and in addition to every right, power and remedy provided for in this Mortgage, and the exercise of any right, power or remedy shall not preclude the simultaneous or later exercise of any other right, power or remedy.

18. Taxes on Mortgage or Note

In the event of the passage of any law which deducts from the value of real property, for purposes of taxation, any lien thereon and which, in turn, imposes a tax, whether directly or indirectly, on this Mortgage or on the Note, and if Mortgagor is prohibited by law from paying the whole of such tax in addition to every other payment required hereunder, or if Mortgagor, although permitted to pay such tax, fails to do so in a timely fashion, then, in such event, at the option of Mortgagee, the entire unpaid principal balance of the Note secured hereby, and all accrued and unpaid interest under the Note, and any other sums secured thereby shall be due and payable immediately plus the Release Fee and, thereafter, each of said amounts shall bear interest at the Default Rate, as set forth in the Note, from the date advanced until fully repaid by Mortgagor.

19. Compromise of Actions.

Any action, suit or proceeding brought by Mortgagee pursuant to this Mortgage, or otherwise, and any claim made by Mortgagee under this Mortgage, or otherwise, may be compromised, withdrawn or otherwise dealt with by Mortgagee without any notice to or approval of Mortgagor, except as otherwise provided in this Mortgage.

20. No Waiver.

No delay or failure by Mortgagee to insist upon the strict performance of any term hereof or of the Note or to exercise any right, power or remedy provided for herein or therein as a consequence of an Event of Default hereunder or thereunder, and no acceptance of any payment of the principal, interest or premium, if any, on the Note during the continuance of any such Event of Default, shall constitute a waiver of any such term, such Event of Default or such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or

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remedy. No waiver of any Event of Default hereunder shall affect or alter this Mortgage, which shall continue in full force and effect with respect to any other then existing or subsequent Events of Default.

21. Defeasance.

If Mortgagor shall pay the principal, interest and premium, if any, due under the Note in accordance with the terms thereof, and if it shall pay all other sums payable hereunder and shall comply with all other terms hereof and of the Note, then this Mortgage and the estate and rights hereby created shall cease, terminate and become void, and thereupon Mortgagee, at the expense of Mortgagor, shall execute and deliver to Mortgagor such instruments as shall be required to evidence of record the satisfaction of this Mortgage and the lien thereof, and any sums at the time held by Mortgagee shall be returned to Mortgagor.

22. Definitions.

Where used in this Mortgage, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the word "Mortgagor" shall be construed as meaning the "Mortgagor and any subsequent owner or owners of the Premises", and the word "Mortgagee "; "Mortgagee" shall be construed as meaning "Mortgagee " and any subsequent holder or holders of this Mortgage.

23. Authorization.

The execution of this Mortgage has been duly authorized by the Mortgagor.

24. Permitted Contests.

Mortgagor, at its expense, may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Imposition or lien therefor or the validity of any instrument of record affecting the Premises or any part thereof, provided that (a) neither the Premises nor any part thereof or interest therein would be in any danger of being sold, forfeited or lost, (b) neither Mortgagor nor Mortgagee would be in any danger of any additional civil or any criminal liability for failure to comply therewith, and (c) Mortgagor shall have set aside on its books adequate reserves with respect thereto and shall have furnished such security, if any, as may be required in the proceedings or reasonably requested by Mortgagee .

25. Uniform Commercial Code.

This Mortgage constitutes a Security Agreement under the Uniform Commercial Code of the state in which the Premises are located (herein called the "Code") with respect to any part of the Premises which may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate including but not limited to all personal property and fixtures in connection with the Premises, any Equipment, Inventory, Accounts, Chattel Paper, Intangibles, Fixtures, Documents and Instruments as defined in the Code including all proceeds and products

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thereof, all insurance and condemnation proceeds, all building materials, all construction and architectural contracts and all plans and specifications (all for the purposes of this Section 26 called "Collateral"); all of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Premises; and the following provisions of this Section 26 shall not limit the generality or applicability of any other provision of this Mortgage but shall be in addition thereto:

a) The Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof and Permitted Encumbrances.

b) The Collateral is to be used by the Mortgagor solely for business purposes, being installed upon the Premises for Mortgagor's own use, or as the equipment and furnishings furnished by Mortgagor to tenants of the Premises.

c) The Collateral (except for documents and which will be kept at the address designated for notice to Mortgagor, hereinafter "Collateral Documents") will be kept at the real estate comprised in the Premises, and will not be removed therefrom without the consent of the Mortgagee (being the Secured Party as that term is used in the Code) by Mortgagor or any other person; and the Collateral may be affixed to such real estate but will not be affixed to any other real estate. Mortgagor irrevocably waives any objection to production and delivery of the Collateral Documents, at its expense upon declaration of an event of default by Mortgagee.

d) The only persons having any interest in the Premises are the Mortgagor, and the Mortgagee.

e) There is no Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor will at its own cost and expense, upon demand, furnish to the Mortgagee such further information and will execute and deliver to the Mortgagee such financing statement and other documents in form satisfactory to the Mortgagee and will do all such acts and things as the Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Note, subject to no adverse liens or encumbrances; and the Mortgagor will pay the cost of filing the same or filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by the Mortgagee to be necessary or desirable.

f) Upon the occurrence of any Event of Default hereunder (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted) and at any time thereafter (such default not having previously been cured), the Mortgagee at its option may declare the Note immediately due and payable, and thereupon Mortgagee shall have the remedies of a secured party under the Code, including without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as the Mortgagor can give authority therefor, with judicial process, enter (if this can be done without breach of the peace), upon any place where the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to

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the conditions stated in the Code); and the Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of the Mortgagor's obligations, as provided in the Code. The Mortgagee, without removal, may render the Collateral unusable and dispose of the Collateral on the Premises. The Mortgagee may require the Mortgagor to assemble the Collateral and make it available to the Mortgagee for its possession at the Premises. The Mortgagee will give Mortgagor at least ten (10) days notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified mail or equivalent, postage prepaid, to the address of Mortgagor shown in Section 28 of this Mortgage, at least ten (10) days before the time of the sale or disposition. The Mortgagee may bid at any public sale and if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, Mortgagee may bid at private sale. Any such sale may be held as part of and in conjunction with any foreclosure sale of the real estate comprised with the Premises, the Collateral and real estate to be sold as one lot if Mortgagee so elects. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like and the reasonable attorneys' fees and legal expenses incurred by Mortgagee, shall be applied in satisfaction of the Note. The Mortgagee will account to the Mortgagor for any surplus realized on such disposition.

g) The remedies of the Mortgagee hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other remedies of the Mortgagee, including having the Collateral deemed part of the realty upon any foreclosure thereof so long as any part of the Note remains unsatisfied.

h) The terms and provisions contained in this Section 26 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code.

26. Amendments.

This Mortgage cannot be changed or terminated orally but may only be amended, modified or terminated pursuant to written agreement between Mortgagor and Mortgagee.

27. Notices.

Any notice, demand or other communication given pursuant to the terms hereof shall be in writing and shall be delivered by personal service or sent by registered mail, return receipt requested, postage prepaid, addressed as follows:

If to Mortgagee:	Wholesale Oil Company 4055 W. Peterson, #203 Chicago, Illinois 60646
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with a copy to: Wolfe and Polovin
180 North LaSalle Street
Suite 2420
Chicago, Illinois 60601

If to Mortgagor : Michael David
1201 W. Howard
Evanston, Illinois 60202

with a copy to: Marc Sargis Esq.
7366 Lincoln Avenue, # 206
Lincolnwood, Illinois 60712

or at such other address within the United States or to the attention of such other office as either party shall have designated in writing to the other. Any such notice, demand or other communication shall be deemed given when received at the office of the Mortgagee or Mortgagor or of any other officer who shall have been designated by the addressee by notice in writing to the other party.

28. Expense of Litigation and Preparation Where No Litigation is Initiated.

If any action or proceeding be commenced to which Mortgagee is made a party, or in which it becomes necessary to defend or uphold the lien of this Mortgage, all sums paid by Mortgagee for the expense (including reasonable attorneys' fees) of any litigation to prosecute or to defend the rights and lien created by this Mortgage shall be paid by the Mortgagor immediately upon written demand therefor. Mortgagor further expressly agrees to pay all costs and expenses including reasonable attorneys's fees should Mortgagee incur costs and attorneys fees relating to this Mortgage in the event suit or litigation is initiated.

29. Cross-Default Clause. Any default by Mortgagor in the performance or observance of any covenant or condition hereof in accordance with Paragraph 15 above shall be deemed default or event of default under each of the Loan Documents, entitling Mortgagee to exercise all or any remedies available to Mortgagee under the terms of any or all Loan Documents, and any default or event of default under any other Loan Document shall be deemed a default hereunder, entitling Mortgagee to exercise any or all remedies provided for herein. Failure by Mortgagee to exercise any right which it may have hereunder shall not be deemed a waiver thereof unless so agreed in writing by Mortgagee, and the waiver by Mortgagee of any default by Mortgagor hereunder shall not constitute a continuing waiver or a waiver of any other default or of the same default on any future occasion.

Neither the Mortgagor, nor any person claiming under Mortgagor, shall have or enjoy any right to marshaling of assets, all such right being hereby expressly waived as to the Mortgagor and all persons claiming under Mortgagor, including junior lienors. No release of personal liability of any person whatever and no release of any portion of the property now or hereafter subject to the lien of any of the Mortgage Instruments shall have any effect whatever by way of impairment or disturbance of the lien or priority of any of said Mortgage Instruments. Any foreclosure or other appropriate remedy sought may be brought and prosecuted as to any part of the mortgaged security,

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wherever located, without regard to the fact that foreclosure proceedings or other appropriate remedies have or have not been instituted elsewhere on any other Premises subject to the lien of said Mortgage Instruments or any of them.

30. **Disclaimer by Mortgagee.** Mortgagee shall not be liable to any party for services performed or obligations due in connection with this Loan. Mortgagee shall not be liable for any debts or claims accruing in favor of any parties against Mortgagor or against the Premises and/or Leasehold. The Mortgagor is not nor shall be an agent of Mortgagee for any purposes, and Mortgagee is not a venture partner with Mortgagor in any manner whatsoever. Approvals granted by Mortgagee for any matters covered under this Agreement shall be narrowly construed to cover only the parties and facts identified in any written approval or if not in writing such approvals shall be solely for the benefit of Mortgagor.

31. **Miscellaneous.**

A. If the time of payment of all indebtedness secured hereby or any part thereof be extended at any time or times, if the Note be renewed, modified or replaced, or if any security for the note be released, Mortgagor and any other parties now or hereafter liable for payment of such indebtedness in whole or in part or interested in the Premises and/or Leasehold shall be held to consent to such extensions, renewals, modifications, replacements and releases, and their liability and the lien hereof and the Other Loan Documents and Security Agreements and the rights created hereby and thereby shall continue in full force, except as to those parties released, the right of recourse against all such other parties being reserved by Mortgagee.

B. The Loan proceeds are to be used, along with Mortgagor's other funds, for the purpose of purchasing the Premises and for no other purposes, which shall occur contemporaneously with the disbursement of the Loan Proceeds. Such use is the business purpose of Mortgagor and the Loan is therefore not usurious under 815 ILCS 205/4, of the Illinois Revised Statutes.

C. This Mortgage shall be binding upon Mortgagor and its successors and assigns, and all persons claiming under or through Mortgagor or any such successor or assign, and shall inure to the benefit of and be enforceable by Mortgagee and its successors and assigns.

D. The headings in this Mortgage are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

E. If any clause, phrase, paragraph or portion of this Mortgage or the application thereof to any person, party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair or render invalid or unenforceable the remainder of this Mortgage nor any other clause, phrase, paragraph or portion hereof, nor shall it affect the application of any clause, phrase, paragraph or provision hereof to other persons, parties or circumstances.

32. **Consent to Jurisdiction.**

TO INDUCE MORTGAGEE TO ACCEPT THE NOTE AND OTHER LOAN DOCUMENTS, MORTGAGOR IRREVOCABLY AGREES THAT, SUBJECT TO MORTGAGEE'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THE NOTE AND

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OTHER LOAN DOCUMENTS WILL BE LITIGATED IN COURTS HAVING SITUS IN LAKE COUNTY, ILLINOIS. MORTGAGOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN LAKE COUNTY, ILLINOIS, WAIVES PERSONAL SERVICE OF PROCESS UPON MORTGAGOR, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO MORTGAGOR AT THE ADDRESS STATED IN THE MORTGAGE AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

33. Waiver of Jury Trial.

MORTGAGOR AND MORTGAGEE (BY ACCEPTANCE OF THE NOTE AND OTHER LOAN DOCUMENTS), HAVING BEEN REPRESENTED BY COUNSEL, EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THE NOTE AND OTHER LOAN DOCUMENTS OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THE NOTE AND OTHER LOAN DOCUMENTS OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS NOTE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. MORTGAGOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST MORTGAGEE ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES NOR REPUDIATE THE TERMS OF THE LOAN DOCUMENTS AND IRREVOCABLY WAIVES THE RIGHT TO DO SO.

IN WITNESS thereof, Mortgagor has caused this Mortgage to be executed as of the date and year first written above.

MORTGAGOR:

Michael C. David

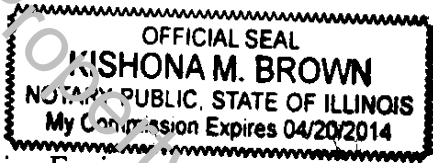


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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Mwendire a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Michael C. David, personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 15 day of July, 2011.



[Signature]

Notary Public

My Commission Expires:

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EXHIBIT A

LEGAL DESCRIPTION

Lots 1, 2, 3 and 4 in Brummel and Case Howard Western Addition being a Subdivision of Lot 3 in Reis Subdivision of Lots 3,4 and 5 in the Subdivision of Lot 9 (except the North 24 feet) in County Clerk's Division of unsubdivided lands in the Northwest 1/4 and of Lot 13 in County Clerk's Division of Part of the Southwest fractional 1/4 of Section 30, Township 41 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois.

PIN: 11-30-115-031 through 034

Common Address: 1201 W. Howard, Evanston, Illinois, 60202.

S:\WPRAW\WOC\RE Sales - Purchases\howar & barton\closing docs\financing\mort no tax esc 6-20-11.wpd

Property of Cook County Clerk's Office