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Illinois Anti-Predatory
Lending Database
Program

Certificate of Exemption



Doc#: 1222313055 Fee: \$108.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 08/10/2012 01:06 PM Pg: 1 of 36

Report Mortgage Fraud
800-532-8785

The property identified as: **PIN:** 12-02-222-024-0000

Address:

Street: 1612 Courtland

Street line 2:

City: Park Ridge

State: IL

ZIP Code: 60068

Lender: Lakewest Funding, LLC

Borrower: 3FCB I LLC Holdings 7

Loan / Mortgage Amount: \$3,200,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is commercial property.

Certificate number: 2265C975-0C3E-4EB6-ADE7-773BDEFD0C50

Execution date: 04/27/2012

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RECORDING REQUESTED BY
AND WHEN RECORDED
MAIL TO:

Lakewest Funding LLC
% Ruttenberg & Ruttenberg
833 N. Orleans St., Suite 400
Chicago, IL 60610
Attn: Jeremy Reis, Esq.

This space reserved for Recorder's use only.

**REAL ESTATE MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF
LEASES AND RENTS AND FIXTURE FILING**

from

3FCB I LLC Holdings 7, a limited liability company formed under the laws of the State of
Illinois

to

Lakewest Funding LLC, a limited liability company formed under the laws of the State of
Illinois

dated as of April 27, 2012

Property of Cook County Clerk's Office

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REAL ESTATE MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING

THIS REAL ESTATE MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (this "Security Instrument") is made and delivered as of the 27th day of April, 2012, by **3FCB I LLC Holdings 7**, a limited liability company formed under the laws of the State of Illinois, having a mailing address of % 3F Properties LLC, 833 N. Orleans St., Suite 400, Chicago, IL 60610, Attn: Michael Obloy and Andrew A. Friestedt ("Mortgagor"), to **Lakewest Funding LLC**, a limited liability company formed under the laws of the State of Illinois (together with its successors and assignees, "Mortgagee"). Definitions of capitalized terms are set forth in Article 1 below.

WITNESSETH:

WHEREAS, 3FCB I LLC, a limited liability company formed under the laws of the State of Illinois ("Borrower"), is justly indebted to Mortgagee in the principal sum of Three Million Two Hundred Thousand and No/100 Dollars (\$3,200,000.00) or so much thereof as may be advanced from time to time pursuant to the terms of the Credit Agreement (defined below), for money loaned to Borrower by Mortgagee pursuant to the Credit Agreement, as evidenced by the Credit Agreement and by other Loan Documents, to be paid in lawful money of the United States of America with interest thereon, all at the rate and in the manner set forth in the provisions of the Credit Agreement; and

WHEREAS, Mortgagor is obligated with respect to the Obligations (defined below) under and by virtue of the Property Owner Guaranty, which Mortgagor is executing simultaneously with this Security Instrument as either the first signatory thereto or by joinder thereto; and

WHEREAS, as a condition to Mortgagee making certain loans under the Credit Agreement, Mortgagee requires that Mortgagor enter into this Security Instrument to secure the Loan (defined in the Credit Agreement); and

WHEREAS, this Security Instrument is a valid, binding and legally enforceable instrument to secure payment of the indebtedness evidenced by the Credit Agreement and the performance of the covenants, terms and conditions set forth herein and in the provisions of the Credit Agreement, the Guaranty and the other Loan Documents, and the execution, sealing and delivery, of this Security Instrument by Mortgagor have been in all respects duly authorized; and

WHEREAS, Mortgagor desires to secure to Mortgagee, for the account of Mortgagee pursuant to the terms of the Credit Agreement, the payment or repayment of all sums secured hereby and compliance with the terms, covenants and conditions, expressed or implied, set forth in the provisions of the Credit Agreement and this Security Instrument and the other Loan Documents.

NOW, THEREFORE, WITNESSETH, that in consideration of the sum (\$1.00) this day paid and other good and lawful consideration, the receipt and sufficiency of which are hereby acknowledged, and, in order to secure the Obligations, Mortgagor agrees as follows:

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AGREEMENT:

ARTICLE I. DEFINED TERMS

For purposes hereof, the following terms shall have the following meanings:

“Applicable Law”: All applicable provisions of constitutions, statutes, rules, regulations and orders of all governmental bodies and all orders and decrees of all courts, tribunals and arbitrators.

“Assignment of Leases and Rents”: That certain Assignment of Leases and Rents of even date herewith from Mortgagor as assignor thereunder to Mortgagee as assignee thereunder, covering the Collateral, and given as an absolute assignment as an additional source of repayment of the Obligations.

“Collateral”: The Property, Improvements, Fixtures, Personalty (all as hereinafter defined) together with:

(a) all rights, privileges, tenements, hereditaments, royalties, minerals, oil and gas rights, rights-of-way, easements, appendages and appurtenances in anywise appertaining thereto, and all right, title and interest, if any, of Mortgagor, in and to any streets, ways, alleys, strips or gores of land adjoining the Property or any part thereof; and

(b) all betterments, improvements, additions, alterations, appurtenances, substitutions, replacements and revisions thereof and thereto, and all reversions and remainders therein; and

(c) all of Mortgagor’s right, title and interest in and to any awards, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any Governmental Authority, pertaining to the Property, Improvements, Fixtures or Personalty including, but not limited to, those for any vacation of, or change of grade in, any streets affecting the Property or the Improvements and those for municipal utility district or other utility costs incurred or deposits made in connection with the Property; and

(d) all of Mortgagor’s right, title and interest in and to any proceeds of insurance required or maintained pursuant to the terms of Section 3.12; and

(e) subject to the provisions of Section 8.3, all of the Leases and Rents; and

(f) any and all other security and collateral, of any nature whatsoever, now or hereafter given for the repayment or the performance and discharge of the Obligations.

As used in this Security instrument, the term “Collateral” shall be expressly defined as meaning all or, where the context permits or requires, any portion of the above, and all or, where the context permits or requires, any interest therein.

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“Credit Agreement”: That certain Credit Agreement dated June 20, 2011 by and between Borrower and Mortgagee, and their respective successors and permitted assigns, as the same may be amended, restated, renewed or modified from time to time.

“Environmental Laws”: means any Applicable Law relating to environmental protection or the manufacture, storage, disposal or clean-up of Hazardous Materials including, without limitation, the following: Clean Air Act, 42 U.S.C. §7401 et seq.; Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq.; Solid Waste Disposal Act, 42 U.S.C. §6901 et seq.; Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq.; National Environmental Policy Act, 42 U.S.C. §4321 et seq.; regulations of the Environmental Protection Agency and any applicable rule of common law and any judicial interpretation thereof relating primarily to the environment or Hazardous Materials.

“Event of Default”: Any failure, happening or occurrence described in Article V hereinbelow.

“Fixtures”: All materials, supplies, equipment, apparatus and other items now owned or hereafter acquired by Mortgagee and now or hereafter attached to, installed in or used in connection with any of the Improvements or the Property, including, but not limited to, any and all building and construction materials and supplies, furniture, furnishings, apparatus, machinery, equipment, motors, elevators, fittings, radiators, ranges, refrigerators, awnings, shades, screens, blinds, carpeting, office equipment and, other furnishings, and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air conditioning and sprinkler equipment, telephone systems, televisions and televisions systems, computer systems, and fixtures and appurtenances thereto, together with all accessions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (but excluding in every event fixtures belonging to Tenants which do not become property of Mortgagee upon expiration or earlier termination of the applicable Lease).

“Governmental Authority”: As defined in the Credit Agreement.

“Hazardous Materials”: means all or any of the following: (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable Environmental Laws as “hazardous substances,” “hazardous materials,” “hazardous wastes,” “toxic substances” or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity or “TCLP” toxicity, “EP toxicity”; (b) oil, petroleum or petroleum derived substances, natural gas, natural gas liquids or synthetic gas and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; (c) any flammable substances or explosives or any radioactive materials; and (d) asbestos in any form or (e) electrical equipment which contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty parts per million.

“Impositions”: (i) All real estate and personal property taxes, charges, assessments, excises and levies and any interest, costs or penalties with respect thereto, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, which at any time prior to or after the execution hereof may be assessed, levied or imposed upon the

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Collateral or the ownership, use, occupancy or enjoyment thereof, or any portion thereof; (ii) any charges, fees, license payments or other sums payable for any easement, license or agreement maintained for the benefit of the Collateral; and (iii) water, gas, sewer, electricity, telephone and other utility charges and fees related to the Collateral.

“Improvements”: Any and all improvements, additions, alterations, betterments or appurtenances to the Property, whether now existing or at any time hereafter situated, placed or constructed upon the Property, or any part thereof.

“Leases”: Any and all leases, subleases, licenses, concessions or other agreements (written or oral, now or hereafter in effect) which grant a possessory interest in and to, or the right to use, all or any part of the Collateral, together with all security and other deposits made in connection therewith and all guaranties thereof, together with and all extensions, renewals, modifications or replacements of any of the foregoing.

“Legal Requirements”: (i) Any and all judicial decisions, statutes, rulings, rules, regulations, permits, certificates, or ordinances of any Governmental Authority in any way applicable to Mortgagor or Borrower, or applicable to, affecting or impacting in any way the Collateral, including, without limiting the generality of the foregoing, the ownership, use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction thereof; (ii) any and all covenants, conditions and restrictions contained in any deed or other form of conveyance or in any other instrument of any nature that relate in any way or are applicable to the Collateral or the ownership, use or occupancy thereof; (iii) Mortgagor’s or Borrower’s presently or subsequently effective bylaws and articles of incorporation, partnership agreement, partnership certificate, joint venture agreement, articles of organization, operating agreement, trust agreement or other form of business association agreement; (iv) any and all Leases; and (v) any and all other contracts (written or oral) of any nature that relate in any way to the Collateral and to which Mortgagor or Borrower may be bound, including, without limiting the generality of the foregoing, any lease or other contract pursuant to which Mortgagor is granted a possessory interest in the Property.

“Loan Documents”: This Security Instrument, the Credit Agreement, the Assignment of Leases and Rents, the Manager Guaranty, the Property Owner Guaranty, any and all UCC Financing Statements from Mortgagor to Mortgagee, and any and all other documents constituting “Loan Documents,” as such term is defined in the Credit Agreement.

“Manager Guaranty”: That certain Manager Guaranty dated as of June 20, 2011 by Michael Obloy and Andrew A. Friestedt, as guarantors thereunder, in favor of Mortgagee (as the same may be modified, amended or restated from time to time) and given for the security for the repayment of the Obligations.

“Obligations”: (i) The aggregate principal balance of, all accrued and unpaid interest thereon, and all other amounts, payments and premiums due under or secured by the Credit Agreement, this Security Instrument and any and all other Loan Documents, in the original principal amount of up to Three Million Two Hundred Thousand and No/100 Dollars (\$3,200,000.00) or so much thereof as may be advanced from time to time thereunder, whether or not evidenced by any promissory note, (ii) any and all additional sums advanced by

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Mortgagee to preserve the Collateral or its security title, lien or security interest in and to the Collateral, or for taxes, assessments or insurance premiums, (iii) any and all of the covenants, conditions, warranties, representations and other obligations made or undertaken by Mortgagor or any other person or party to Mortgagee or others as set forth herein and in the other Loan Documents; and (iii) all other "Obligations," as such term is defined in the Credit Agreement as may now be, or from time to time hereafter shall become, owing to Mortgagee thereunder.

"Permitted Encumbrances": The "Permitted Liens" (as defined in the Credit Agreement), which include those items listed on Exhibit B attached hereto and incorporated herein by this reference.

"Personalty": All of the right, title and interest of Mortgagor in and to all furniture, furnishings, equipment, machinery, goods, general intangibles, contracts and agreements between Mortgagor and any other party in any way relating to the construction of the Improvements or the supplying of material, labor, supplies or other services therefor and any and all permits, bonds, surveys, licenses or other governmental approvals in any way related to the construction of the Improvements, any and all plans, specifications, shop drawings, and other technical descriptions prepared for construction of the Improvements, and all amendments and modifications thereof, money, insurance proceeds, accounts, contract rights, trademarks, tradenames, inventory, all refundable, returnable or reimbursable fees, deposits or other funds or evidences of credit or indebtedness deposited by or on behalf of Mortgagor with any governmental agencies, boards, corporations or providers of utility services, public or private, including specifically, but without limitation, all refundable, returnable or reimbursable tap fees, utility deposits, commitment fees and development costs, and all other personal property (other than the Fixtures) of any kind or character as defined in and subject to the provisions of the Uniform Commercial Code as adopted in Illinois, which are now or hereafter located or to be located upon, within or about the Collateral or which are or may be used in or related to the planning, development, financing or operation of the Collateral, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof.

"Post-Default Rate": As defined in the Credit Agreement.

"Property": The real estate or interest therein described in Exhibit A attached hereto and incorporated herein by this reference, and all rights, titles and interests appurtenant thereto.

"Property Owner Guaranty": That certain Property Owner Guaranty dated as of May 9, 2012 by Mortgagor and others, as guarantors thereunder, in favor of Mortgagee (as the same may be modified, amended or restated from time to time) and given for the security for the repayment of the Obligations.

"Rents": The rents, income, receipts, revenues, issues and profits now due or which may become due or to which Mortgagor is now or hereafter may become entitled or which Mortgagor may demand or claim, arising or issuing from or out of the Leases, or from or out of the Collateral or any part thereof, including, without limiting the generality of the foregoing, minimum rents, additional rents, percentage rents, parking maintenance charges or fees, tax and insurance contributions, proceeds of sale of electricity, gas, chilled and heated water and other utilities and services, deficiency rents, security deposits and other liquidated damages following

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default, premiums payable by any Tenant -upon the exercise of a cancellation privilege provided for in any Lease and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the Collateral, together with any and all rights and claims of any kind which Mortgagor may have against any Tenant under any Lease or against any subtenants or occupants of the Collateral.

“Security Document”: As defined in the Credit Agreement.

“Tenant:” The tenant or lessee under any Lease.

ARTICLE II. GRANT AND CONVEYANCE

2.1. Grant and Conveyance. For and in consideration of the sum of One and No/100 Dollars (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, MORTGAGE, WARRANT, TRANSFER, PLEDGE and SET OVER unto Mortgagee and Mortgagee’s successors and assigns, the Collateral, subject, however, to the Permitted Encumbrances, TO HAVE AND TO HOLD the Collateral and all parts, rights, members and appurtenances thereof, IN FEE SIMPLE forever, as security for the full and timely payment and performance of Obligations, for the benefit of Mortgagee and the successors and assigns of Mortgagee, and grants to Mortgagee a security interest in the Collateral, as further security for the full and timely payment and performance of the Obligations; and Mortgagor warrants and covenants that Mortgagor is lawfully seized and possessed of the Collateral as aforesaid, and has good right to convey the same subject only to the Permitted Encumbrances, and that Mortgagor does warrant and shall forever defend the title thereto against the claims of all persons whomsoever, except as to the Permitted Encumbrances.

2.2. Cancellation. Should the Obligations be paid according to the tenor and effect thereof when the same shall become due and payable, and should Mortgagor perform all Obligations in a timely manner, or on the earlier release of the Collateral pursuant to the terms of Section 4.3 of the Credit Agreement, then this Security Instrument shall be canceled and surrendered.

2.3. Revolving Loan Account. This Security Instrument secures a “revolving loan account,” and payment of all amounts outstanding under the Credit Agreement from time to time shall not cancel or release this Security Instrument, and re-advances shall be secured to the same extent as original obligations hereunder.

ARTICLE III. COVENANTS, WARRANTIES AND REPRESENTATIONS

Mortgagor hereby unconditionally covenants, warrants and represents to Mortgagee as follows (which covenants, warranties and representations have been and will be relied upon by Mortgagee in advancing funds to Borrower under the Loan Documents, and shall be deemed to be continuing covenants, warranties and representations made on a daily basis by Mortgagor):

3.1. Title to Collateral and Priority of this Instrument. Mortgagor has good, marketable and indefeasible fee simple title to the Property and Improvements, and good and marketable title to the Fixtures and Personalty and other Collateral, free and clear of any liens,

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charges, encumbrances, security interests, claims, easements, restrictions, options (except as set forth in the Leases), leases (other than the Leases), covenants and other rights, titles, interests or estates of any nature whatsoever except the Permitted Encumbrances. As of the date hereof, this Security Instrument constitutes a valid and subsisting first priority mortgage in and to the Property, Improvements and Fixtures, a valid, subsisting first security interest in and to the Personalty and, to the extent that the terms Leases and Rents include items covered by the Uniform Commercial Code as adopted in the State of Illinois, in the Leases and Rents; and a valid, subsisting first priority assignment of the Leases and Rents not covered by said Uniform Commercial Code, all in accordance with the terms hereof, and all subject to the Permitted Encumbrances.

3.2. [intentionally omitted]

3.3. Separate Tract. The Property is not a part of a larger tract of land owned by Mortgagor or its affiliates and is not otherwise included under any unity of title or similar covenant with other lands not encumbered by this Security Instrument.

3.4. Leases.

(a) Mortgagor has good title to the Leases and Rents and all requisite right, power and authority to assign the Leases and Rents, and no other person, firm or corporation has any right, title or interest therein (other than the lessee's interest therein held by the Tenant thereunder).

(b) Mortgagor has duly and punctually performed the terms, covenants, conditions and warranties of the Leases on Mortgagor's part to be kept, observed and performed.

(c) The Leases now in existence are valid and unmodified, except as set forth on the rent roll certification delivered to Mortgagee by Mortgagor contemporaneously herewith (if any), or as otherwise disclosed in writing by Mortgagor to Mortgagee, and are in full force and effect; Mortgagor has not previously sold, assigned, transferred, mortgaged or pledged the Leases or the Rents, whether now due or hereafter to become due.

(d) The Rents now due, or to become due, for any periods subsequent to the date hereof have not been collected more than one (1) month in advance, and payment thereof has not been anticipated more than one (1) month in advance, or waived or released, discounted, setoff or otherwise discharged or compromised; and Mortgagor has not received any funds or deposits from any Tenant for which credit has not already been made on account of accrued Rents.

(e) Except as set forth on the rent roll certification delivered to Mortgagee by Mortgagor contemporaneously herewith (if any) or as otherwise disclosed in writing by Mortgagor to Mortgagee:

(i) The Tenants under the Leases have no defenses, set-offs or counterclaims against Mortgagor, and are not in default of any of the terms or provisions of the respective Leases beyond any applicable cure period;

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(ii) Each Tenant is in possession and paying rent and other charges under their respective Leases on a current basis; and

(iii) No Rents payable under any Leases have been or will hereafter be anticipated, discounted, released, waived, compromised, or otherwise discharged except as may be expressly permitted by the Leases.

(f) Mortgagor shall furnish to Mortgagee, as Mortgagee may request, true and complete copies of all Leases, and all extensions, modifications and amendments thereof.

(g) Mortgagor shall observe, perform and discharge all of its obligations, covenants and warranties under the Leases, and Mortgagor shall give prompt notice to Mortgagee of any failure on the part of Mortgagor to observe, perform and discharge the same.

(h) Except as otherwise permitted under the Credit Agreement, Mortgagor shall use commercially reasonable efforts to enforce or secure in the name of Mortgagee the performance of each and every material obligation, term, covenant, condition and agreement in the Leases by any Tenant to be performed, and shall appear in and defend any action or proceeding arising under, occurring out of or in any manner connected with the Leases or the obligations, duties or liabilities of Mortgagor and any Tenant, and upon request by Mortgagee, Mortgagor shall do so in the name and on behalf of Mortgagee, but at the expense of Mortgagor, and Mortgagor shall pay all costs and expenses of Mortgagee, including reasonable attorneys' fees and disbursements, in any action or proceeding in which Mortgagee may appear.

(i) So long as the Obligations remain unpaid and undischarged, and unless Mortgagee otherwise consents in writing, the fee and the leasehold estates in and to the Collateral shall not merge, but shall always remain separate and distinct, notwithstanding the union of such estates (without implying Mortgagee's consent to such union) either in Mortgagor, Mortgagee or in any Tenant or in any third party by purchase or otherwise.

3.5. Use. Mortgagor shall use the Collateral for business purposes only. Mortgagor shall not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of, the Collateral in any manner or for any purpose which (a) violates any Legal Requirement, (b) may be dangerous unless safeguarded as required by law, (c) constitutes a public or private nuisance, or (d) makes void, voidable or cancelable, or increases the premium of any insurance then in force with respect thereto.

3.6. Alterations or Waste. Mortgagor shall not commit or permit any waste of the Collateral, and shall not, without the prior written consent of Mortgagee, make or permit to be made any alterations or additions to the Collateral of a material nature, except for tenant improvement work under a Lease approved by Mortgagee and except as otherwise permitted under the Credit Agreement.

3.7. Compliance with Legal Requirements. Mortgagor shall indemnify and hold Mortgagee free and harmless from and against any and all violations, failures to promptly and faithfully comply with, and failures to conform to and obey all present and future Legal Requirements including, without limitation, the Americans with Disabilities Act of 1990, as amended (42 USC. §12101, et seq.), the Federal Architectural Barriers Act, as amended (42 USC

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§4151, et seq.), the Fair Housing Amendments Act of 1988, as amended (42 USC §3601, et seq.) and The Rehabilitation Act of 1973, as amended (29 USC §794), whether or not same shall necessitate structural changes in, improvements to, or interfere with the use or enjoyment of the Collateral.

3.8. Solvency. As of the date hereof, Mortgagor is solvent (as that term is defined in the Federal Bankruptcy Act), is not bankrupt, has not committed any Act of Bankruptcy and has no outstanding liens, suits, garnishments, bankruptcies or court actions which could render it insolvent (as that term is defined in the Federal Bankruptcy Act).

3.9. Prior Security Instrument Status. Mortgagor shall protect the first priority lien status of this security instrument and the other Loan Documents, subject to Permitted Encumbrances, and shall not place, or permit to be placed, except for Permitted Liens, otherwise convey, mortgage, hypothecate or encumber the Collateral with, any other lien or security deed or interest of any nature whatsoever, regardless of whether same is allegedly or expressly inferior to the title created by this Security Instrument. If any such claim, lien or security interest is asserted against the Collateral, Mortgagor shall promptly, and at its own cost and expense after receiving notice of same, (a) give Mortgagee verbal notice thereof immediately, together with written notice within five (5) days from the date such claim, lien or security interest is asserted, and (b) take such action as to cause the same to be released, bonded or insured to Mortgagee's satisfaction. Such notice shall specify who is asserting such claim, lien or security interest and shall detail the origin and nature of the underlying facts giving rise to such asserted claim, lien or security interest.

3.10. Payment of Impositions. Mortgagor shall duly pay and discharge, or cause to be paid and discharged, the Impositions as provided in Section 8.6 of the Credit Agreement.

3.11. Repair. Mortgagor shall keep the Collateral in good working order, repair and condition as provided Section 8.3 of the Credit Agreement.

3.12. Insurance. EXCEPT AS SET FORTH IN THE CREDIT AGREEMENT:

(a) Types of Insurance. Mortgagor shall procure for, deliver to, and maintain for the benefit of Mortgagee, or cause the Tenant(s) to procure for, deliver to and maintain for the benefit of Mortgagee, during the term of this Security Instrument original paid up insurance policies or certified copies of paid up insurance policies (or, if there is blanket coverage, Mortgagee shall require an underlier policy with the Collateral identified and specifically allocated amounts shown) in such amounts, form and substance as are required under Section 8.5 of the Credit Agreement.

(b) Insurance Companies, Form of Policies. All insurance policies maintained pursuant to this Section 3.12 shall be in form and substance as required by Section 8.5 of the Credit Agreement, provided that all such policies of liability coverage shall require not less than thirty (30) days' prior written notice to Mortgagee of any cancellation, termination or change in coverage. Without limiting the discretion of Mortgagee with respect to required endorsements to insurance policies, all such policies for loss of or damage to the Collateral shall contain a standard mortgagee clause (without contribution) naming Mortgagee as mortgagee with loss

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proceeds payable to Mortgagee notwithstanding (i) any act, failure to act or negligence of or violation of any warranty, declaration or condition contained in any such policy by any named insured; (ii) the occupation or use of the Collateral for purposes more hazardous than permitted by the terms of any such policy; (iii) any foreclosure or other action by Mortgagee under the Loan Documents; or (iv) any change in title to or ownership of the Collateral or any portion thereof, such proceeds to be held for application as provided in the Loan Documents.

(c) Proof of Insurance. At least thirty (30) days prior to the expiration date of each policy maintained pursuant to this Section 3.12, Mortgagor shall deliver to Mortgagee a full paid renewal or replacement thereof reasonably satisfactory to Mortgagee. The delivery of any insurance policies hereunder shall constitute a collateral assignment of all unearned premiums as further security hereunder. In the event of foreclosure of this Security Instrument or any other transfer of title to the Collateral in extinguishment of the Obligations, all right, title, and interest of Mortgagor in and to all insurance policies then in force with respect to the Collateral shall pass to the purchaser or Mortgagee.

(d) Payment of Proceeds to Mortgagee. Mortgagee is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies maintained pursuant to this Section 3.12 and to collect and receive the proceeds from any such policy or policies. Mortgagor hereby authorizes and directs each insurance company to make payment for all losses directly to Mortgagee. In the event any insurance company fails to disburse directly and solely to Mortgagee but disburses instead either solely to Mortgagor or to Mortgagor and Mortgagee jointly, Mortgagor agrees immediately to endorse and transfer such proceeds to Mortgagee. Upon the failure of Mortgagor to endorse and transfer such proceeds as aforesaid, Mortgagee may execute such endorsements or transfers for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's agent and attorney-in-fact to do so, such appointment being coupled with an interest and being irrevocable.

(e) Application of Proceeds. After deducting from said insurance proceeds all of its expenses incurred in the collection and administration of such sums, including reasonable attorneys' fees actually incurred, Mortgagee may apply the net proceeds or any part thereof, at its option:

(i) to the payment of the Obligations, whether or not due and as provided in Section 11.4 of the Credit Agreement; or

(ii) for any other purposes or objects for which Mortgagee is entitled to advance or apply funds under the Loan Documents;

all without affecting the lien, security title or security interest of this Security Instrument, and any balance of such moneys then remaining shall be paid to Mortgagor. Any such application shall be in such order as Mortgagee, in its sole discretion, may determine. Mortgagee 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.

3.13. Restoration Following Casualty. If any act or occurrence of any kind or nature, ordinary or extraordinary, foreseen or unforeseen (including any casualty for which insurance

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was not obtained or obtainable), shall result in damage to, or loss or destruction of, the Collateral, Mortgagor shall give notice thereof to Mortgagee immediately and, if so instructed by Mortgagee and provided that Mortgagee elects (or is required under the Credit Agreement) to apply the insurance proceeds (if any) to the restoration, repair or replacement of the Collateral, shall promptly, at Mortgagor's sole cost and expense and regardless of whether the insurance proceeds (if any) shall be sufficient for the purpose, Mortgagor shall commence and continue diligently to completion to restore, repair, replace and rebuild the Collateral in accordance with the requirements of Mortgagee and with all Legal Requirements as nearly as possible to its value, condition and character immediately prior to such damage, loss or destruction.

3.14. Hold Harmless. Mortgagor shall defend, at its own cost and expense, and hold Mortgagee harmless from any action, proceeding or claim affecting the Collateral or the Loan Documents, and all costs and expenses incurred by Mortgagee in protecting its interests hereunder in such an event (including all court costs and attorneys' fees) shall be borne by Mortgagor and secured hereby, except to the extent the same are caused by the gross negligence or willful misconduct of Mortgagee or any Mortgagee.

3.15. Books and Records. Mortgagor shall maintain full and accurate books and records pertaining to its business operations with respect to the Collateral in such detail, form and scope as is consistent with good business practice in accordance with Section 8.10 of the Credit Agreement.

3.16. Tax and Insurance Escrow. During the continuance of an Event of Default, at Mortgagee's option, in order to implement the provisions of Sections 3.10 and 3.12 hereinabove, Mortgagor shall pay to Mortgagee monthly, annually or as otherwise directed by Mortgagee, an amount ("Escrowed Sums") equal to the sum of (a) the annual Impositions (estimated by Mortgagee, wherever necessary) to become due for the tax year during which such payment is so directed and (b) the insurance premiums for the same year for those insurance policies as are required hereunder. If Mortgagee determines that any amounts theretofore paid by Mortgagor are insufficient for the payment in full of such Impositions and insurance premiums, Mortgagee shall notify Mortgagor of the increased amounts required to provide a sufficient fund, whereupon Mortgagor shall pay to Mortgagee within thirty (30) days thereafter the additional amount as stated in Mortgagee's notice. The Escrowed Sums may be held by Mortgagee in non-interest bearing accounts and may be commingled with Mortgagee's other funds. Without limiting the foregoing, if an Event of Default is continuing hereunder, Mortgagee shall have the option of crediting the Escrowed Sums against the Obligations.

3.17. [intentionally omitted]

3.18. Execution and Delivery; No Conflict. The execution and delivery of this Security Instrument, the Assignment of Leases and Rents and any other Loan Documents related to the Collateral will not violate or contravene in any way any indenture, agreement or other instrument to which Mortgagor is a party or by which it or any of its property may be bound, or be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any such property or assets, except as contemplated by the provisions of such Loan Documents, or, to Mortgagor's

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knowledge, contravene any law, order, decree, rule or regulation to which Mortgagor or the Collateral is subject; and no action or approval with respect thereto by any third person or party is required in connection herewith, which has not already been obtained and is in full force and effect.

ARTICLE IV. CONDEMNATION

4.1. Condemnation.

(a) Taking. If all or any portion of the Collateral is taken by condemnation or eminent domain powers of any Governmental Authority (or any transfer by private sale in lieu thereof), either temporarily or permanently, then the award and other proceeds payable in connection therewith shall be paid to Mortgagee and applied to payment of the Obligations after deducting any costs incurred by Mortgagee in connection therewith, or otherwise applied as provided in Section 11.4 of the Credit Agreement.

(b) Participation in Proceedings. Mortgagor shall promptly notify Mortgagee of any actual or threatened initiation of any condemnation or eminent domain proceeding as to any part of the Collateral and, upon Mortgagee's request, shall deliver to Mortgagee copies of any and all papers served or received in connection with such proceedings, and Mortgagee shall have the right, at its option, to participate in such proceedings at the expense of Mortgagor (including, without limitation, Mortgagee's attorneys' fees). Mortgagor shall execute such documents and take such other steps as required to permit such participation.

(c) Right to Settle Claims. Mortgagee is hereby authorized to adjust, compromise and collect any condemnation or eminent domain award or settle a claim for damages and to apply the same to the Obligations.

(d) Use of Proceeds. Mortgagor hereby assigns to Mortgagee any proceeds or awards which may become due by reason of any condemnation or other taking for public use of the Whole or any part of the Collateral or any rights appurtenant thereto, and Mortgagee is authorized, at its option, to collect and receive all such compensation, awards or damages and to give proper receipts and acquittances therefor without any obligation to question the amount of any such compensation, awards or damages. The proceeds of any such condemnation award or proceeds or any part thereof may be applied by Mortgagee:

(i) to the payment of the Obligations, whether or not due and as provided in Section 11.4 of the Credit Agreement; or

(ii) for any other purposes or objects for which Mortgagee is entitled to advance or apply funds under the Loan Documents.

(e) Further Assignment. Mortgagor agrees to execute such further assignments of any compensation, awards, damages, claims, rights of action and proceeds as Mortgagee may require. If, prior to the receipt by Mortgagee of such award or proceeds, the Collateral shall have been bid on foreclosure of this Security Instrument, Mortgagee shall have the right to receive such award or proceeds to the extent of any unpaid Obligations following such sale, with legal interest thereon, whether or not a deficiency judgment on this Security

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Instrument, the Obligations or the other Loan Documents shall have been sought or recovered, and to the extent of attorneys' fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award or proceeds. If Mortgagor fails to assign such compensation, awards, damages, claims, rights of action, and proceeds as aforesaid, Mortgagee may execute such endorsements or transfers for and in the name of Mortgagor and Mortgagor hereby appoints Mortgagee as Mortgagor's agent and attorney-in-fact so to do, such appointment being coupled with an interest and being irrevocable.

ARTICLE V. EVENTS OF DEFAULT

The term "Event of Default," as used herein, shall mean the occurrence or happening, at any time and from time to time, of any one or more of the following (and Mortgagor shall be entitled to no notice of default other than as provided for below):

5.1. Event of Default under Credit Agreement. The occurrence of an "Event of Default" under and as defined in the Credit Agreement.

5.2. Failure in Payment of Sums Due. Mortgagor shall fail to pay when due any amounts owing by Mortgagor under this Security Instrument and such failure shall continue for a period of five (5) days after the date upon which Mortgagor or Borrower has received written notice of such failure from Mortgagee.

5.3. Failure in Performance of Obligations. Except as provided in Sections 5.4, 5.5, 5.6 and 5.7 below, the failure of Mortgagor to perform or observe any term, covenant, condition or agreement contained in this Security Instrument and not otherwise mentioned in this Article V and in the case of this Section 5.3 only, if such failure shall continue for a period of thirty (30) days after the date upon which Mortgagor has received written notice of such failure from Mortgagee.

5.4. Foreclosure of Other Liens. If (i) the holder of any lien or security interest or deed on the Collateral whether senior or junior to the lien of this Security Instrument (without hereby implying Mortgagee's consent to the existence, placing, creating or permitting of any such lien or security interest or deed) institutes foreclosure or other proceedings for the enforcement of its remedies thereunder, and (ii) such foreclosure or other proceedings are not dismissed within thirty (30) days after Mortgagor is notified thereof (but, in all events, at least five (5) business days before a judgment of foreclosure or any other remedy may be entered by the hearer of such foreclosure or other proceedings).

5.5. Disposition of Collateral and Beneficial Interest in Mortgagor. Unless permitted hereunder without Mortgagee's consent or unless permitted under the Credit Agreement, the occurrence of any sale, lease, exchange, assignment, conveyance, transfer or other disposition of all or any part of the Collateral, or any part thereof or any interest therein, or the conveyance, assignment, transfer or other disposition all or any part of the beneficial ownership interest in Mortgagor.

5.6. Further Encumbrances. If Mortgagor, without the prior written consent of Mortgagee, creates, places or permits to be created or placed, or through any act or failure to act, acquiesces in the placing of, or allows to remain, any mortgage, pledge, lien (statutory,

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constitutional or contractual), security interest, encumbrance or charge, or conditional sale or other title retention agreement, regardless of whether same are expressly subordinate to the liens of the Loan Documents, with respect to the Collateral, other than the Permitted Encumbrances. Notwithstanding the foregoing, Mortgagor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided Mortgagor shall first deposit with Mortgagee a bond or other security satisfactory to Mortgagee in such amounts as Mortgagee shall reasonably require, but not more than one and one-half (1½) of the amount of the claim, and provided further, that Mortgagor shall thereafter diligently proceed to cause such lien, encumbrance or charge to be removed and discharged.

5.7. Event of Default Under the Assignment of Leases and Rents. If an Event of Default shall occur under the Assignment of Leases and Rents (after expiration of any applicable grace or cure period provided therein).

5.8. Event of Default under any other Security Document. If an Event of Default shall occur under any other Security Document.

ARTICLE VI. MORTGAGEE'S REMEDIES

6.1. Remedies. If an Event of Default exists, Mortgagee may, at its sole election, exercise any or all of the following rights, remedies and recourses;

(a) Acceleration: If such Event of Default also constitutes an "Event of Default" under the Credit Agreement, Mortgagee may, if the Obligations are accelerated under the Credit Agreement, declare the then unpaid principal balance of the Obligations, and the accrued interest and any other accrued but unpaid portion of the Obligations to be immediately due and payable, without further notice, presentment, protest, demand or action of any nature whatsoever (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable, time being of the essence in this Security Instrument.

(b) Termination of License.

(i) Terminate the License granted to Mortgagor in Section 8.3 hereof and exercise the rights, powers and privileges of landlord under the Leases, and then and thereafter, with or without taking possession of the Collateral, in Mortgagor's own name, demand, collect, receive, sue for, attach and levy on the Rents (including demand for Rents collected for the period in which the demand occurs) and give proper receipts, releases and acquittances therefor.

(ii) Deliver a written demand to any Tenant for payment of Rents, which demand shall be sufficient evidence of each such Tenant's obligation and authority to make all future payments of Rents to Mortgagee without the necessity for further consent by Mortgagor. Mortgagor, for itself and its agents, covenants and agrees not to countermand any such written demand to Tenants for payment of Rents.

(c) Entry on Collateral.

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(i) Demand that Mortgagor shall forthwith surrender to Mortgagee the actual possession of the Collateral, and to the extent permitted by law, enter and take possession of all of the Collateral without the appointment of a receiver, or an application therefor, and exclude Mortgagor and its agents and employees wholly therefrom, and have joint access with Mortgagor to the books, papers and accounts of Mortgagor.

(ii) If Mortgagor shall for any reason fail to surrender or deliver the Collateral or any part thereof after such demand by Mortgagee, Mortgagee may seek a judgment or decree conferring upon Mortgagee the right to immediate possession or requiring Mortgagor to deliver immediate possession of the Collateral to Mortgagee, and Mortgagor hereby specifically covenants and agrees that Mortgagor shall not oppose, contest or otherwise hinder or delay Mortgagee in any action or proceeding by Mortgagee to obtain such judgment or decree. Mortgagor shall pay to Mortgagee, upon demand, all expenses of obtaining such judgment or decree, including reasonable compensation to Mortgagee, its attorneys and agents, and all such expenses and compensation shall, until paid, become part of the Obligations and shall be secured by this Security Instrument.

(iii) Upon every such entering upon or taking of possession, Mortgagee may hold, store, use, operate, manage and control the Collateral and conduct the business thereof, and, from time to time, (A) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property, (B) insure or keep the Collateral insured, (C) manage and operate the Collateral and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise act with respect to the same, and (D) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may determine to be in its best interest. Anything in this Security Instrument to the contrary notwithstanding, Mortgagee shall not be obligated to discharge or perform the duties of the landlord to any Tenant or incur any liability as the result of any exercise by Mortgagee of its rights under this Security Instrument, and Mortgagee shall be liable to account only for the Rents actually received by Mortgagee.

(iv) Make, modify, enforce, cancel or accept surrender of any Lease, remove and evict any Tenant, increase or decrease Rents under any Lease, appear in and defend any action or proceeding purporting to affect the Collateral, and perform and discharge each and every obligation, covenant and agreement of Mortgagor contained in any Lease, whether or not Mortgagee takes possession of the Collateral.

(v) Neither the entering upon and taking possession of the Collateral, nor the collection of any Rents and the application thereof as aforesaid, shall cure or waive any Event of Default theretofore or thereafter occurring, or affect any notice of an Event of Default hereunder or invalidate any act done pursuant to any such notice. Mortgagee shall not be liable to Mortgagor, anyone claiming under or through Mortgagor, or anyone having an interest in the Collateral by reason of anything done or left undone by Mortgagee hereunder. Nothing contained in this Section 6.1(c) shall require Mortgagee to incur any expense or do any act. If the Rents are not sufficient to meet the costs of taking control of and managing the Collateral and/or collecting the Rents, any funds expended by Mortgagee for such purposes shall become Obligations of

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Mortgagor to Mortgagee secured by this Security Instrument. Such amounts, together with interest at the Post-Default Rate, and attorneys' fees, if applicable, shall be immediately due and payable. Notwithstanding Mortgagee's continuance in possession or receipt and application of Rents, Mortgagee shall be entitled to exercise every right provided for in this Security Instrument or by law upon or after the occurrence of an Event of Default. Any of the actions referred to in this Section 6.1(c) may be taken by Mortgagee at such time as Mortgagee is so entitled, without regard to the adequacy of any security for the Obligations hereby secured.

(vi) In the event that sums due under any of the terms, covenants, conditions and agreements of this Security Instrument and the other Loan Documents shall be paid and all Events of Default shall be cured, and as a result thereof Mortgagee surrenders possession of the Collateral to Mortgagor, the same right herein given to Mortgagee shall continue to exist if any subsequent Events of Default shall occur.

(d) Foreclosure; Receiver. If the Obligations have been accelerated as provided herein, institute an action to foreclose the lien of this Security Instrument. In any action to foreclose the lien of this Security Instrument, to enforce this Security Instrument or other Loan Documents, or to prevent the actual or threatened waste to any part of the Collateral, upon the filing of any complaint for that purpose, the court in which such complaint is filed may, upon application of Mortgagee, in Mortgagee's sole and absolute discretion, appoint Mortgagee as Mortgagee-in-Possession or to appoint a receiver of the Collateral pursuant to the Illinois Mortgage Foreclosure Law, as amended (735 ILCS 5/15-1101, *et seq.*) (the "Mortgage Foreclosure Law"). Such appointment may be made, without choice by Mortgagor; without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the Obligations; without regard to the value of the Collateral at such time and whether or not the Collateral (or any portion thereof) is then occupied as a homestead; and Mortgagee or any employee or agent thereof may be appointed as such receiver. Such receiver shall have all powers and duties prescribed by the Mortgage Foreclosure Law, including, without limitation, the power to take possession, control and care of the Collateral and to collect all Rents, issues, deposits, profits and avails thereof during the pendency of such foreclosure suit, to enter upon the Collateral, employ watchmen to protect the Collateral from degradation or injury and to preserve and protect the Collateral, and to continue any and all outstanding contracts for the erection, completion or repair of improvements to the Collateral, to continue any and all outstanding contracts for the sale of any portion of the Collateral, and apply all funds received toward the Secured Obligations. To the extent permitted by applicable law, such receiver may take any action permitted to be taken by Mortgagee pursuant to the Credit Agreement, extend or modify any then existing leases and make new leases of the Collateral or any part thereof, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Obligations, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Collateral are subject to the lien hereof, and upon the purchaser or purchasers at any such foreclosure sale, notwithstanding any redemption from sale, discharge of indebtedness, satisfaction of foreclosure decree or issuance of certificate of sale or deed to any purchaser or at any time thereafter.

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(e) Performance by Mortgagee. Pay, perform or observe any term, covenant or condition of this Security Instrument not paid, performed or observed by Mortgagor, and all payments made or costs or expenses incurred by Mortgagee in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by Mortgagor to Mortgagee with interest thereon at the Post-Default Rate. Mortgagee shall be the sole judge of the necessity for any such actions and of the amounts to be paid. Mortgagee is hereby empowered to enter and to authorize others to enter upon the Collateral or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor.

(f) Relief From Automatic Stay. In the event that Mortgagor is the subject of any insolvency, bankruptcy, receivership, dissolution, reorganization, or similar proceeding, federal or state, voluntary or involuntary, under any present or future law or act, Mortgagee shall be entitled to relief from the automatic stay as to the enforcement of its remedies under the Loan Documents against the Collateral, including specifically, but not limited to, the stay imposed by 11 U.S.C., Section 362, as amended, and Mortgagor hereby consents to the immediate lifting of any such automatic stay and will not contest any motion by Mortgagee to lift such stay.

(g) Other. Exercise any and all other rights, remedies and recourses granted under this Security Instrument (including, without limitation, those set forth in Articles VII, VIII and IX hereinbelow) or now or hereafter existing in equity, at law, by virtue of statute or otherwise.

6.2. Separate Sales. With respect to sales hereunder, the Collateral may be sold in one or more parcels and in such manner and order as Mortgagee, in its sole discretion, may elect, it being expressly understood and agreed that the right of sale arising out of any Event of Default shall not be exhausted by any one or more sales.

6.3. Remedies Cumulative, Concurrent and Non-Exclusive. Mortgagee shall have all rights, remedies and recourses granted in this Security Instrument and available at law or equity (including specifically those granted by the Uniform Commercial Code in effect and applicable to the Collateral or any portion thereof), and to the extent such Event of Default also constitutes an Event of Default under the Credit Agreement, all rights, remedies and recourses granted in the Loan Documents; and all such rights and remedies (a) shall be cumulative and concurrent, to the fullest extent permitted by applicable law, (b) may be pursued separately, successively or concurrently against Mortgagor, Borrower or others obligated for the Obligations, or against the Collateral, or against any one or more of them, at the sole discretion of Mortgagee, all to the fullest extent permitted by applicable law, (c) may be exercised as often as occasion therefor shall arise, it being agreed by Mortgagor that the exercise or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse, and (d) are intended to be, and shall be, nonexclusive.

6.4. No Conditions Precedent to Exercise of Remedies. Neither Mortgagor, Borrower nor any other person hereafter obligated for payment of all or any part of, or fulfillment of all or any of, the Obligations, shall be relieved of such obligation by reason of (a) the failure of Mortgagee to comply with any request of Mortgagor, Borrower, or of any other person so obligated, to foreclose this Security Instrument or to enforce any provisions of the other Loan

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Documents, (b) the release, regardless of consideration, of the Collateral or the addition of any other property to the Collateral, (c) any agreement or stipulation between any subsequent owner of the Collateral and Mortgagee extending, renewing, rearranging or in any other way modifying the terms of the Loan Documents without first having obtained the consent of, given notice to or paid any consideration to Mortgagor, Borrower or such other person, and in such event, Mortgagor, Borrower and all such other persons shall continue to be liable to make payment according to the terms of any such extension or modification agreement unless expressly released and discharged, in writing, by Mortgagee, or (d) by any other act or occurrence, save and except the complete payment and the complete fulfillment of all of the Obligations.

6.5. Release of and Resort to Collateral. Mortgagee may release, regardless of consideration, any part of the Collateral without, as to the remainder, in any way impairing, affecting, subordinating or releasing the conveyance, lien, encumbrance or security interests created in or evidenced by the Loan Documents or their stature as a first and prior mortgage, lien, encumbrance or security interest in and to the Collateral. For payment of the Obligations, Mortgagee may resort to any security therefor held by Mortgagee in such order and manner as Mortgagee may elect.

6.6. Waiver of Appraisal, Valuation, etc. Mortgagor agrees, to the full extent permitted by law, that, in case of an Event of Default, neither Mortgagor nor anyone claiming through or under Mortgagor will set up, claim or seek to take advantage of any moratorium, reinstatement, forbearance, appraisal, valuation, stay, extension, homestead, exemption or redemption laws (including, without limitation, any rights granted pursuant to 735 ILCS 5/12 122, *et seq.*) now or hereafter in force in order to prevent or hinder the enforcement or foreclosure of this Security Instrument or the absolute sale of the Collateral, the delivery of possession thereof immediately after such sale to the purchaser at such sale, or the exercise of any other remedy hereunder, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have assets subject to the lien or security title, and the security, interest, of this Security Instrument marshaled upon any foreclosure or sale under the power herein granted or a sale in inverse order of alienation.

6.7. Discontinuance of Proceedings. In case Mortgagee shall have proceeded to enforce any right, power or remedy under this Security Instrument by foreclosure, entry or otherwise, or in the event Mortgagee commences advertising of the intended exercise of the sale under power provided hereunder and such proceeding or advertisement shall have been withdrawn, discontinued or abandoned for any reason, or shall have been determined adversely to Mortgagee, then in every such case (a) Mortgagor and Mortgagee shall be restored to their former positions and rights, (b) all rights, powers and remedies of Mortgagee shall continue as if no such proceeding had been taken, (c) each and every Event of Default declared of occurring prior or subsequent to such withdrawal, discontinuance or abandonment shall be and shall be deemed to be a continuing Event of Default and (d) neither this Security Instrument, nor the Obligations, nor any other Loan Document, shall be or shall be deemed to have been reinstated or otherwise affected by such withdrawal, discontinuance or abandonment; and Mortgagor hereby expressly waives the benefit of any statute or rule of law now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the above.

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6.8. Application of Proceeds. The proceeds of any sale of, and the Rents and other amounts generated by the holding, leasing, operation or other use of, the Collateral (including, without limitation, the Leases) shall be applied by Mortgagee (or the receiver, if one is appointed) to the extent that funds are so available therefrom to the following, or otherwise as provided in the Credit Agreement, in the order of priority that Mortgagee, in its sole discretion, may determine:

(a) To the payment of the reasonable costs and expenses of taking possession of the Collateral and of holding, using, leasing, repairing, improving and selling the same, including, without limitation, (i) receivers' fees, (ii) court costs, (iii) attorneys' and accountants' fees, (iv) costs of advertisement, and (v) the payment of any and all Impositions, liens, security interests or other rights, titles or interests equal or superior to this Security instrument (except those to which the Collateral has been sold subject to and without in anyway implying Mortgagee's prior consent to the creation thereof);

(b) To the payment of all amounts, other than the principal balance of the Obligations and accrued but unpaid interest, which may be due under the Loan Documents, together with interest on all such amounts as provided;

(c) To the payment of all accrued but unpaid interest due on the Obligations;

(d) To the payment of the principal balance of the Obligations;

(e) To the extent funds are available therefor out of the sale proceeds or the Rents, and to the extent known by Mortgagee, and permitted by law, to the payment of any indebtedness or obligation secured by a subordinate interest in the Collateral;

(f) The remainder shall be applied as provided in the Credit Agreement; and

(g) Any remaining funds thereafter, to Mortgagor

MORTGAGOR SHALL BE LIABLE FOR ANY DEFICIENCIES IN THE EVENT THE PROCEEDS ARE NOT SUFFICIENT TO COVER ITEMS (A) THROUGH (D) ABOVE.

6.9. Leases. Mortgagee, at its option, is authorized to foreclose this Security Instrument subject to the rights of any Tenants of the Collateral under any Leases, and the failure to make any Tenants parties to any such foreclosure proceedings and to foreclose their rights shall not be, nor be asserted to be by Mortgagor, a defense to any proceedings instituted by Mortgagee to collect the Obligations.

6.10. Purchase by Mortgagee. Upon any foreclosure sale or sales of all or any portion of the Collateral under the power of sale herein granted, Mortgagee may bid for and purchase the Collateral and shall be entitled to apply all or any part of the Obligations as a credit to the purchase price.

6.11. Mortgagor as Tenant Holding Over. In the event of any such foreclosure sale or sales under the power herein granted, Mortgagor shall be deemed a tenant holding over and shall

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forthwith deliver possession to the purchaser or purchasers at such sale or be summarily dispossessed according to provisions of law applicable to tenants holding over.

6.12. Suits to Protect the Collateral. Mortgagee shall have the power to institute and maintain such suits and proceedings as it may deem expedient (i) to prevent any impairment of the Collateral by any acts which may be unlawful or constitute an Event of Default under this Security Instrument, (ii) to preserve or protect its interest in the Collateral and in the Leases and Rents arising therefrom, and (iii) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of Mortgagee.

6.13. Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Mortgagor, its creditors or its property, Mortgagee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as maybe necessary or advisable in order to have the claims of Mortgagee allowed in such proceedings for the entire amount of the Obligations at the date of the institution of such proceedings and for any additional amount of the Obligations after such date.

6.14. Occupancy After Foreclosure. The purchaser at any foreclosure sale pursuant to Section 6.1(d) shall become the legal owner of the Collateral or the portion thereof foreclosed. All occupants (except those which have previously executed a prior written agreement with purchaser) of the Collateral or any part thereof shall become tenants at sufferance of the purchaser at the foreclosure sale and shall deliver possession thereof immediately to the purchaser upon demand, subject to the rights, if any, of Tenants.

6.15. Waiver of Mortgagor's Rights. BY EXECUTION OF THIS SECURITY INSTRUMENT AND BY INITIALING THIS SECTION 6.15, MORTGAGOR EXPRESSLY: (A) ACKNOWLEDGES THE RIGHT OF MORTGAGEE TO ACCELERATE THE PRINCIPAL INDEBTEDNESS SECURED HEREBY AND ANY OTHER INDEBTEDNESS SECURED BY THIS SECURITY INSTRUMENT; (B) TO THE EXTENT PERMITTED BY APPLICABLE LAW, WAIVES ANY AND ALL RIGHTS WHICH MORTGAGOR MAY HAVE UNDER THE CONSTITUTION OF THE UNITED STATES OF AMERICA (INCLUDING, WITHOUT LIMITATION, THE FIFTH AND FOURTEENTH AMENDMENTS THEREOF), THE VARIOUS PROVISIONS OF THE CONSTITUTIONS FOR THE SEVERAL STATES, OR BY REASON OF ANY OTHER APPLICABLE LAW, (1) TO NOTICE AND TO JUDICIAL HEARING PRIOR TO THE EXERCISE BY MORTGAGEE OF ANY RIGHT OR REMEDY HEREIN PROVIDED TO MORTGAGEE, EXCEPT SUCH NOTICE (IF ANY) AS IS SPECIFICALLY REQUIRED TO BE GIVEN UNDER THE PROVISIONS OF THIS SECURITY INSTRUMENT OR THE CREDIT AGREEMENT AND (2) CONCERNING THE APPLICATION, RIGHTS OR BENEFITS OF ANY STATUTE OF LIMITATION OR ANY MORATORIUM, REINSTATEMENT, MARSHALING, FORBEARANCE, APPRAISEMENT, VALUATION, STAY, EXTENSION, HOMESTEAD, EXEMPTION OR REDEMPTION LAWS; (C) ACKNOWLEDGES THAT MORTGAGOR HAS READ THIS SECURITY INSTRUMENT AND ANY AND ALL QUESTIONS OF MORTGAGOR REGARDING THE LEGAL EFFECT OF THIS SECURITY INSTRUMENT

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AND ITS PROVISIONS HAVE BEEN EXPLAINED FULLY TO MORTGAGOR, AND MORTGAGOR HAS CONSULTED WITH COUNSEL OF MORTGAGOR'S CHOICE (OR VOLUNTARILY FOREGONE SUCH OPPORTUNITY) PRIOR TO EXECUTION OF THIS SECURITY INSTRUMENT AND INITIALING THIS SECTION 6.15; AND (D) ACKNOWLEDGES THAT ALL WAIVERS OF THE AFORESAID RIGHTS HAVE BEEN MADE KNOWINGLY, INTENTIONALLY AND WILLINGLY AS PART OF A BARGAINED FOR LOAN TRANSACTION AND THAT THIS INSTRUMENT IS VALID AND ENFORCEABLE BY MORTGAGEE AGAINST MORTGAGOR IN ACCORDANCE WITH ALL THE TERMS AND CONDITIONS HEREOF.

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

6.17. Compliance with Mortgage Foreclosure Law. In the event that any provision of this Security Instrument shall be inconsistent with any provisions of applicable laws relating to mortgage foreclosures (collectively, "Mortgage Foreclosure Provisions"), the Mortgage Foreclosure Provisions shall take precedence over the provisions of this Security Instrument, but shall not invalidate or render unenforceable any other provision of this Security Instrument that can be construed in a manner consistent with the Mortgage Foreclosure Provisions. Mortgagor and Mortgagee shall have the benefit of all of the Mortgage Foreclosure Provisions, including all amendments thereto which may become effective from time to time after the date hereof. In the event any Mortgage Foreclosure Provision that is specifically referred to herein may be repealed, Mortgagee shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference. If any provision of this Security Instrument shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Mortgage Foreclosure Provisions in the absence of said provision, Mortgagee shall be vested with the rights granted in the Mortgage Foreclosure Provisions to the full extent permitted by applicable law.

ARTICLE VII. SECURITY AGREEMENT

7.1. Security Interest. This Security Instrument shall also constitute and serve as a security agreement on personal property within the meaning of, and shall constitute until this Security Instrument shall terminate, as provided in Article II hereinabove, a first and prior security interest under the Uniform Commercial Code as enacted in Illinois with respect to the Personalty, Fixtures, Leases and Rents. To this end, Mortgagor has GRANTED, BARGAINED, CONVEYED, ASSIGNED, TRANSFERRED and SET OVER, and by these presents, does GRANT, BARGAIN, CONVEY, ASSIGN, TRANSFER and SET OVER, unto Mortgagee a first and prior security interest and all of Mortgagor's right, title and interest in, to, under and with respect to the Personality, Fixtures, Leases and Rents to secure the full and timely payment,

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performance and discharge of the Obligations. It is the intent of Mortgagor and Mortgagee that this Security Instrument encumber all Leases and Rents, that all items contained in the definition of "Leases" and "Rents" which are included within Article 9 of the Uniform Commercial Code as adopted in Illinois be covered by the security interest granted in this Article VII and that all items contained in the definition of "Leases" and "Rents" which are excluded from Article 9 of the Uniform Commercial Code as adopted in Illinois be covered by the provisions of Article II and Article VIII hereof.

7.2. Financing Statements. Mortgagor hereby agrees with Mortgagee to deliver to Mortgagee, in form and substance satisfactory to Mortgagee, such Financing Statements and such further assurances as Mortgagee may, from time to time, reasonably consider necessary to create, perfect and preserve Mortgagee's security interest herein granted, and Mortgagee may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law, to so create, perfect and preserve such security interest.

7.3. Uniform Commercial Code Remedies. Mortgagee shall have all the rights, remedies and recourses with respect to the Personalty, Fixtures, Leases and Rents afforded to a "secured party" by the Uniform Commercial Code as adopted in Illinois as to property within the scope thereof and situated in Illinois, in addition to, and not in limitation of, the other rights, remedies and recourses afforded by the Loan Documents.

7.4. Warranty. Mortgagor warrants that Mortgagor shall promptly execute any financing statements or other instruments deemed necessary by Mortgagee to prevent any filed financing statement from becoming misleading or losing its perfected status.

7.5. Foreclosure of Security Interest. If an Event of Default exists, Mortgagee may elect, in addition to exercising any and all other rights, remedies and recourses set forth in Article VI or referred to in Section 7.3 hereinabove or Article VII hereinbelow, to proceed in the manner set forth in Article 9, Section 501 of the Uniform Commercial Code as adopted in Illinois, relating to the procedure to be followed when a Security Agreement covers both real and personal property.

7.6. No Obligation of Secured Party. The assignment and security interest herein granted shall not be deemed or construed to constitute Mortgagee or any Mortgagee as a trustee or mortgagee in possession of the Collateral, to obligate Mortgagee or any Mortgagee to lease the Collateral or attempt to do same, or to take any action, incur any expense or perform or discharge any obligation, duty or liability whatsoever under any of the Leases or otherwise.

7.7. Information for Fixture Filing. This Security Instrument is also being filed as a fixture filing with respect to the portions of the Collateral that are or are to become fixtures relating to the Property or Improvements. Mortgagor warrants that (i) Mortgagor's (that is, "Debtor's") name, identity or corporate structure and residence or principal place of business are as set forth in the first paragraph of this Security Instrument; and (ii) the location of the tangible collateral is upon the Property. Mortgagor covenants and agrees that Mortgagor will furnish Mortgagee with notice of any change in the matters addressed by this clause within thirty (30) days of the effective date of any such change. The information contained in this Section 7.7 is provided in connection with the requirements of the Uniform Commercial Code so that this

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Security Instrument shall serve as a financing statement, The names of the “Debtor” and the “Secured Party,” the identity or corporate structure and residence or principal place of business of “Debtor,” the mailing address of the “Secured Party” from which information concerning the security interest may be obtained, and the mailing address of “Debtor,” are as set forth in the first paragraph on page 1 of this Security Instrument; and a statement indicating the types, or describing the items, of collateral is set forth in the definition of “Collateral” *supra*.

ARTICLE VIII. ASSIGNMENT OF LEASES AND RENTS

8.1. Assignment. For and in consideration of the sum of TEN DOLLARS (\$10.00), and other good and valuable consideration, including the Obligations, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the full and timely payment of the Obligations and the full and timely performance and discharge of the Obligations, Mortgagor has GRANTED, BARGAINED, SOLD, CONVEYED, ASSIGNED, TRANSFERRED, SET OVER and DELIVERED, and by these presents does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER and DELIVER absolutely unto Mortgagee the Leases (whether now existing or entered into after the date hereof) and the Rents, subject only to the hereinafter described License, TO HAVE AND TO HOLD the Leases and the Rents unto Mortgagee, its successors and assigns, forever, and Mortgagor does hereby bind itself, its successors and assigns to WARRANT and FOREVER DEFEND the title to the Leases and the Rents unto Mortgagee against every person whomsoever lawfully claiming or to claim the same or any part thereof. If an Event of Default exists, Mortgagee shall have the right, power and privilege (but shall be under no duty) to demand possession of the Rents, which demand shall, to the fullest extent permitted by applicable law, be sufficient action by Mortgagee to entitle Mortgagee to immediate and direct payment of the Rents (including delivery to Mortgagee of Rents collected for the period in which the demand occurs and for any subsequent period), for application as provided herein, all without the necessity of any further action by Mortgagee, including, without limitation, any action to obtain possession of the Improvements or the Property. Mortgagor hereby authorizes and directs the Tenants under the Leases to pay Rents to Mortgagee upon written demand by Mortgagee, without further consent of Mortgagor, without any obligation to determine whether an Event of Default has in fact occurred and regardless of whether Mortgagee has taken possession of any portion of the Property, and the Tenants may rely upon any written statement delivered by Mortgagee to the Tenants. Any such payment to Mortgagee shall constitute payment to Mortgagor under the Leases, and Mortgagor hereby appoints Mortgagee as Mortgagor’s lawful attorney-in-fact for giving, and Mortgagee is hereby empowered to give, acquittances to any Tenants for such payments to Mortgagee after a default.

8.2. Continuation and Termination of Assignment. If Mortgagor shall pay or cause to be paid the Obligations as and when same shall become due and payable and shall perform and discharge or cause to be performed and discharged the Obligations on or before the date the same are to be performed and discharged, then this assignment shall thereupon be terminated and of no further force and effect, and all rights, titles and interests conveyed pursuant to this assignment shall become re-vested in Mortgagor without the necessity of any further act or requirement by Mortgagor or Mortgagee; provided, however, the affidavit, certificate, letter or statement of any officer of Mortgagee stating that any part of the Obligations remains unpaid and undischarged shall be and constitute conclusive evidence of the validity, effectiveness or continuing force of

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the within assignment, and any person, firm or corporation may, and is hereby authorized to, rely thereon.

8.3. Limited License. Provided that there exists no Event of Default hereunder or under any Loan Document, Mortgagor shall have the right under a limited license granted hereby, and Mortgagee hereby grants to Mortgagor a limited license (the "License"), to collect upon, but not prior to accrual, all of the Rents arising from or out of the Leases, or any renewals or extensions thereof, or from or out of the Collateral or any part thereof, and Mortgagor shall receive such Rents, and Mortgagor hereby covenants that Mortgagor shall use and apply all Rents first to the payment of the Obligations in accordance with the terms thereof and of the Loan Document, and then to the payment of all Impositions and costs and expenses of management, operation, repair, maintenance, preservation, reconstruction and restoration of the Collateral in accordance with the requirements of the Security Instrument and the obligations of Mortgagor as the lessor under the Leases, and shall not use such Rents for purposes unrelated to the Premises unless and until all current payments on the Obligations, Impositions, and such costs and expenses have been paid or provided for.

8.4. Mortgagor's Indemnities. Mortgagor hereby agrees to indemnify and hold Mortgagee free and harmless from and against any and all liability, loss, cost, damage or expense which Mortgagee may incur under or by reason of this assignment, or for any action taken by Mortgagee hereunder, or by reason or in defense of any and all claims and demands whatsoever which maybe asserted against Mortgagee arising out of the Leases (except to the extent caused by the gross negligence or willful misconduct of Mortgagee or any Mortgagee), including specifically, but without limitation, any claim by any Tenant of credit for Rents paid to and received by Mortgagor, but not delivered to Mortgagee, for any period under any Lease more than one (1) month in advance of the due date thereof. In the event Mortgagee incurs any such liability, loss, cost, damage or expense, the amount thereof, including reasonable attorneys' fees, with interest thereon at the Post-Default Rate, shall be payable by Mortgagor to Mortgagee immediately, without demand, and shall be secured hereby and by all other Loan Documents.

8.5. Appointment of Attorney-in-Fact. Mortgagor hereby further constitutes and appoints Mortgagee the true and lawful attorney, coupled with an interest, of Mortgagor, and in the name, place and stead of said Mortgagor, to subject and subordinate at any time and from time to time any Lease or any part thereof to the lien and security title and security interest of the Security Instrument or any other mortgage, security deed, deed of trust or security agreement on or to any ground lease of the Collateral, or to request or require such subordination, where such reservation, option or authority was reserved to Mortgagor under any such Lease, or in any case where Mortgagor otherwise would have the right, power or privilege so to do. The foregoing appointment is irrevocable and continuing and coupled with an interest, and such rights, powers and privileges shall be exclusive in Mortgagee, its successors and assigns so long as any part of the Obligations secured hereby remains unpaid and undischarged, and Mortgagor hereby warrants that Mortgagor has not at any time prior to the date hereof exercised any such rights, and Mortgagor hereby covenants not to exercise any such right, to subordinate any such Lease to the lien of this Security Instrument or to any other security deed, mortgage, deed of trust or security agreement or to any ground lease.

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8.6. Exculpation of Mortgagee. The acceptance by Mortgagee of this assignment of the Leases and Rents, with all of the rights, powers, privileges and authority created hereby shall not, prior to entry upon and taking possession of the Collateral by Mortgagee, be deemed or construed to constitute Mortgagee a "mortgagee in possession," nor thereafter or at any time or in any event obligate Mortgagee to appear in or defend any action or proceeding relating to the Leases, the Rents or the Collateral or to take any action hereunder or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under any Lease or to assume any obligation or responsibility for any security deposits or other deposits delivered to Mortgagor by any Tenant and not assigned and delivered to Mortgagee, nor shall Mortgagee be liable in any way for any injury or damage to persons or property sustained by any person or persons, firm or corporation in or about the Collateral.

8.7. Cumulative Rights. It is intended by Mortgagor and Mortgagee that the assignments of Leases and Rents in this Article VIII are cumulative of the rights and remedies set forth in the Assignment of Leases and Rents, and the Assignment of Leases and Rents and the provisions of this Article VIII are to be construed accordingly. In the event of a conflict between the Assignment of Leases and Rents and this Article VIII, the provisions of the Assignment of Leases and Rents shall govern.

ARTICLE IX. MISCELLANY

9.1. Performance at Mortgagor's Expense. Mortgagor shall pay to Mortgagee immediately upon demand all costs and expenses incurred by Mortgagee in connection herewith as provided in Section 13.2 of the Credit Agreement, and the same shall be secured hereby. For all purposes of this Security Instrument, Mortgagee's costs and expenses shall include, without limitation, all appraisal and re-appraisal fees, legal fees (including, without limitation, fees for trial, appeal or other proceedings), accounting fees, environmental consultant fees (if any), auditor fees, and the cost to Mortgagee of any documentary taxes, recording fees, brokerage fees, title search fees, title insurance premiums and title surveys (including any such title related fees and premiums incurred in connection with title updates).

9.2. Survival of Obligations. Each and all of the Obligations shall survive the execution and delivery of the Loan Documents, and the consummation of the loan called for therein, and shall continue in full force and effect until the Obligations shall have been paid in full; provided however, that nothing contained in this Section 9.2 shall limit the obligations of Mortgagor as set forth in Sections 3.14 and 8.4 herein.

9.3. Recording and Filing. Mortgagor shall cause the Loan Documents and all amendments and supplements thereto and substitutions therefor to be recorded, filed, re-recorded and re-filed in such manner and in such places as Mortgagee shall reasonably request and shall pay all such recording, filing, re-recording and re-filing taxes, fees and other charges.

9.4. Notices. All notices or other communications required or permitted to be given pursuant to this Security Instrument shall be made and delivered as provided in Section 13.1 of the Credit Agreement.

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9.5. No Waiver. Any failure by Mortgagee to insist, or any election by Mortgagee not to insist, upon strict performance by Mortgagor of any of the terms, provisions or conditions of this Security Instrument shall not be deemed to be a waiver of same or of any other term, provision or condition hereof, and Mortgagee shall have the right at any time or times thereafter to insist upon strict performance by Mortgagor of any and all such terms, provisions and conditions. No delay or omission by Mortgagee, or by any Mortgagee, to exercise any right, power or remedy accruing upon any breach or Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such breach or Event of Default, or acquiescence therein, and every right, power and remedy given by this Security Instrument to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of the Obligations of Mortgagor hereunder or to any other Event of Default shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other Obligations of Mortgagor hereunder. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers, or remedies of Mortgagee hereunder.

No act or omission by Mortgagee shall release, discharge, modify, change or otherwise affect the original liability under the Credit Agreement, this Security Instrument or any Obligations of Mortgagor or any subsequent purchaser of the Collateral or any part thereof, or any maker, cosigner, endorser, surety or guarantor, or preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in the event of any Event of Default then made or by any subsequent Event of Default, or alter the security title, security interest or lien of this Security Instrument, except as expressly provided in an instrument or instruments executed by Mortgagee. Without limiting the generality of the foregoing, Mortgagee may:

- (a) grant forbearance or an extension of time for the payment of all or any portion of the Obligations;
- (b) take other or additional security for the payment of the Obligations;
- (c) waive or fail to exercise any right granted hereunder or in the Credit Agreement or the other Loan Documents;
- (d) change any of the terms, covenants, conditions or agreements of the Credit Agreement, this Security Instrument, or the other Loan Documents;
- (e) consent to the filing of any map, plat or replat affecting the Collateral;
- (f) consent to the granting of any easement or other right affecting the Collateral;
- (g) make or consent to any agreement subordinating the security title, security interest or lien hereof; or

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(h) take or omit to take any action whatsoever with respect to the Credit Agreement, this Security Instrument, the Collateral or any document or instrument evidencing, securing or in any way relating to the Obligations;

all without releasing, discharging, modifying, changing or affecting any such liability, or precluding Mortgagee from exercising any such right, power or privilege, or affecting the security title, security interest or lien of this Security Instrument. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Collateral, Mortgagee, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Collateral or the Obligations, 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.

9.6. Mortgagee's Right to Perform the Obligations. If (i) Mortgagor shall fail, refuse or neglect to make any payment or perform any act required by the Loan Documents, and (ii) such failure shall continue for the lesser of (a) thirty (30) days after the date upon which Mortgagor has received written notice of such failure from Mortgagee and (b) the date on which such failure, in Mortgagee's commercially reasonable judgment, would have an adverse effect on the Collateral that is not *de minimis* (examples, for clarity, are a failure to maintain insurance or pay Impositions in accordance with this Security Instrument), then at any time thereafter, and without notice to or demand upon Mortgagor and without waiving or releasing any other right, remedy or recourse Mortgagee may have because of same, Mortgagee may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Mortgagor, and shall have the right to enter the Property and Improvements for such purpose and to take all such action thereon and with respect to the Collateral as it may deem necessary or appropriate. If Mortgagee shall elect to pay any Imposition or other sums due with reference to the Collateral, Mortgagee may do so in reliance on any bill statement or assessment procured from the appropriate Governmental Authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by the Loan Documents, Mortgagee shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same. Mortgagor shall indemnify Mortgagee for all losses, expenses, damages, claims and causes of action, including reasonable attorneys' fees, incurred or accruing by reason of any acts performed by Mortgagee pursuant to the provisions of this Section 9.6 or by reason of any other provision in the Loan Documents. All sums paid by Mortgagee pursuant to this Section 9.6, and all other sums expended by Mortgagee to which it shall be entitled to be indemnified, together with interest thereon at the Interest Rate (or at the Post-Default Rate if an Event of Default exists) from the date of such payment or expenditure until paid, shall constitute additions to the Obligations, shall be secured by the liens, security titles, security interests and rights created by the Loan Documents and shall be paid by Mortgagor to Mortgagee within five (5) Business Days after notice thereof from Mortgagee.

9.7. Covenants Running with the Land. All Obligations contained in the Loan Documents are intended by the parties to be, and shall be construed as, covenants running with the Collateral.

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9.8. Successors and Assigns. Subject to Section 13.5 of the Credit Agreement, all of the terms of this Security Instrument shall apply to, be binding upon and inure to the benefit of the parties thereto, their successors, assigns, heirs and legal representatives, and all other persons claiming by, through or under them.

9.9. Severability. This Security Instrument is intended to be performed in accordance with, and only to the extent permitted by, all applicable Legal Requirements. If any provision of any of this Security Instrument or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, then neither the remainder of the instrument in which such provision is contained nor the application of such provision to other persons or circumstances nor the other instruments referred to hereinabove shall be affected thereby, but rather, shall be enforced to the greatest extent permitted by law.

9.10. Entire Agreement and Modification. This Security Instrument and the other Loan Documents contain the entire agreements between the parties relating to the subject matter hereof and thereof, and all prior agreements relative thereto which are not contained herein or therein are terminated. This Security Instrument may not be amended, revised, waived, discharged, released or terminated orally, but only by a written instrument or instruments as provided in Section 13.6 of the Credit Agreement. Mortgagor expressly agrees that for purposes of this Security Instrument and each and every other Loan Document: (i) this Security Agreement and each and every other Loan Document shall be a "credit agreement" under the Illinois Credit Agreements Act, 815 ILCS 160/1, *et seq.* (the "Act"); (ii) the Act applies to this transaction, including, but not limited to, the execution of this Security Instrument and each and every other Loan Document; and (iii) any action on or in any way related to this Security Instrument and each and every other Loan Document shall be governed by the Act.

9.11. Assignment. Subject to Section 13.5 of the Credit Agreement, this Security instrument is assignable by Mortgagee and any assignment hereof by Mortgagee shall operate to vest in the assignee all rights and powers herein conferred upon and granted to Mortgagee.

9.12. Time is of the Essence. Time is of the essence with respect to each and every covenant, agreement and obligation of Mortgagor under this Security Instrument.

9.13. Counterparts. This Security Instrument may be executed in any number of counterparts, each of which, shall be an original, but all of which together shall constitute but one instrument.

9.14. Applicable Law. This Security instrument shall be governed by and construed according to the laws of the State of Illinois from time to time in effect, except that United States federal law shall govern to the extent that it permits Mortgagee to contract for, charge or receive a greater amount of interest, and also giving effect to all other United States federal laws applicable to national banks. In no event shall the amount of interest due or payable on the Obligations exceed the maximum rate of interest allowed by Applicable Law and, if any such payment is paid by Mortgagor or received by any Mortgagee, then such excess sum shall be credited as a payment of principal, unless Mortgagor shall notify the respective Mortgagee in writing that Mortgagor elects to have such excess sum returned to it forthwith. It is the express intent of the parties hereto that Mortgagor not pay and Mortgagee not receive, directly or

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indirectly, in any manner whatsoever, interest in excess of that which may be lawfully paid by Mortgagor under Applicable Law. All sums paid or agreed to be paid by Mortgagor to Mortgagee for the use, forbearance or detention of the Obligations shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the term of the Obligations until payment in full so that the rate or amount of interest on account of such Obligations does not exceed the usury ceiling from time to time in effect and applicable to the Obligations for so long as any Obligations are outstanding.

9.15. Subrogation. If any or all of the proceeds of the Obligations have been used to extinguish, extend or renew any Obligations heretofore existing against the Collateral, then, to the extent of such funds so used, the Obligations and this Security Instrument shall be subrogated to all of the rights, claims, liens, titles and interests heretofore existing against the Collateral to secure the indebtedness so extinguished, extended or renewed, and the former, rights, claims, liens, titles and interests, if any, are not waived, but rather, are continued in full force and effect in favor of Mortgagee and are merged with the lien or security title and interest created herein as cumulative security for the repayment and the satisfaction of the Obligations.

9.16. Headings. The Article, Section and Subsection entitlements hereof are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such Articles, Sections or Subsections.

9.17. No Joint Venture. Notwithstanding anything in any of the Loan Documents or in any other agreement or commitment to the contrary, neither the Loan Documents nor the transactions described in the Loan Documents nor the rights and obligations granted therein shall in any way create or contribute to the creation of a partnership or joint venture or similar arrangement between Mortgagor and Mortgagee.

9.18. Future Advances. This Security Instrument is given to secure any and all advances (however evidenced and whether or not obligatory and including those made on a revolving basis) made by Mortgagee to or on behalf of Mortgagor, under the Credit Agreement and the other Loan Documents, and shall secure not only the initial advance under the Credit Agreement and the other Loan Documents, but also subsequent advances, the final advance, and any other advances, disbursements and other payments made under the Credit Agreement and the other Loan Documents, whether such advances are obligatory or to be made at the option of Mortgagee, or otherwise, and including advances under the Credit Agreement and other Loan Documents as are made within twenty (20) years from the date hereof, to the same extent as if all such advances were made at the time of execution of this Security Instrument and although there may be no outstanding Secured Obligations at the time any advance is made. The total amount of the Secured Obligations may increase or decrease from time to time, but the total unpaid principal balance of the indebtedness hereby secured at any one time outstanding shall not exceed two (2) times maximum principal amount of the Obligations plus interest thereon (including, without limitation, interest at the Post-Default Rate), and any disbursements made for payment of taxes, special assessments or insurance on the Collateral, and interest on such disbursements. This Security Instrument shall be valid and shall, to the fullest extent permitted by applicable law, have priority over any and all liens and encumbrances arising after this Security Instrument is recorded in the appropriate office in the county in which the Property is located, including (to the extent permitted by applicable law) statutory liens except taxes and

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assessments levied on the Collateral. It shall be an Event of Default, if Mortgagor files of record a notice limiting the maximum amount which may be secured by this Security Instrument.

9.19. Representation by Counsel. Mortgagor hereby represents that it has been represented by competent counsel of its choice in the negotiation and execution of this Security Instrument and any other Loan Documents (or that it has voluntarily foregone such opportunity), that it has read and fully understood the terms hereof, that Mortgagor (and its counsel, if applicable) have been afforded an opportunity to review, negotiate and modify the terms of this Security Instrument, and that Mortgagor intends to bound hereby. In accordance with the foregoing, the general rule of construction to the effect that any ambiguities in a contract are to be resolved against the party drafting the contract shall not be employed in the construction and interpretation of this Security Instrument.

9.20. Waiver of Jury Trial; Jurisdiction.

(a) EACH PARTY HERETO ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN MORTGAGOR AND MORTGAGEE WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND WOULD RESULT IN DELAY AND EXPENSE TO THE PARTIES HERETO. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF MORTGAGEE AND MORTGAGOR HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST ANY PARTY HERETO ARISING OUT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR IN CONNECTION WITH ANY COLLATERAL OR ANY LIEN OR BY REASON OF ANY OTHER SUIT, CAUSE OF ACTION OR DISPUTE WHATSOEVER BETWEEN MORTGAGOR AND MORTGAGEE OF ANY KIND OR NATURE.

(b) EACH OF MORTGAGOR AND MORTGAGEE HEREBY AGREES THAT ANY FEDERAL DISTRICT COURT IN ILLINOIS OR, AT THE OPTION OF MORTGAGEE, IN THE STATE OF ILLINOIS, OR, AT THE OPTION OF MORTGAGEE, ANY STATE COURT LOCATED IN CHICAGO, ILLINOIS, SHALL HAVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN MORTGAGOR AND MORTGAGEE PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT OR TO ANY MATTER ARISING HEREFROM OR THEREFROM OR THE COLLATERAL. EACH OF MORTGAGOR AND MORTGAGEE EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS. EACH PARTY HERETO FURTHER WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM, AND EACH AGREES NOT TO PLEAD OR CLAIM THE SAME. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY MORTGAGEE OR THE ENFORCEMENT BY MORTGAGEE OR ANY MORTGAGEE OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

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(c) THE PROVISIONS OF THIS SECTION HAVE BEEN CONSIDERED BY EACH PARTY WITH THE ADVICE OF COUNSEL (OR THE VOLUNTARY DECISION TO FOREGO COUNSEL) AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS AND THE TERMINATION OF THIS AGREEMENT.

[signature pages follow]

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IN WITNESS WHEREOF, Mortgagor has executed this Security Instrument under seal, as of the first date written above.

“MORTGAGOR”

3FCB I LLC Holdings 7, an Illinois limited liability company

By: 3FCB I LLC, an Illinois limited liability company, its Manager

By: 3F Properties LLC, an Illinois limited liability company, its Manager



By: _____
Name: Michael Obloy
Its: Manager



By: _____
Name: Andrew A. Friestedt
Its: Manager

[notary page follows]

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STATE OF ILLINOIS:

: SS.

COUNTY OF COOK:

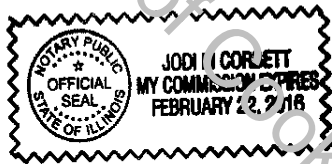
On April 27, 2012, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Michael Obloy, in his capacity as a Manager of 3F Properties LLC, in its capacity as the Manager of 3FCB I LLC, in its capacity as the Manager of **[PROPERTY OWNER]**, and he/she executed the foregoing instrument for the purposes contained therein.

WITNESS my hand and seal the day and year aforesaid.

Jodi M. Corbett
Notary Public

My Commission Expires: 2/22/16

[SEAL]



STATE OF ILLINOIS:

: SS.

COUNTY OF COOK:

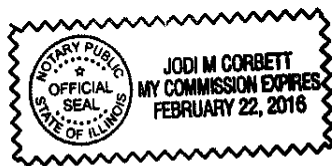
On April 27, 2012, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Andrew A. Friestedt, in his capacity as a Manager of 3F Properties LLC, in its capacity as the Manager of 3FCB I LLC, in its capacity as the Manager of **[PROPERTY OWNER]**, and he/she executed the foregoing instrument for the purposes contained therein.

WITNESS my hand and seal the day and year aforesaid.

Jodi M. Corbett
Notary Public

My Commission Expires: 2/22/16

[SEAL]



UNOFFICIAL COPY

EXHIBIT A

PROPERTY

Address: 1612 Courtland, Park Ridge, IL

Parcel Identification Number: 12-02-222-024-0000

Property of Cook County Clerk's Office

A large, dense black scribble consisting of many overlapping, vertical and diagonal lines, completely obscuring the text of the exhibit. It is located in the lower-middle portion of the page.