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Illinois Anti-Predatory  
Lending Database  
Program



Certificate of Exemption

Doc#: 1308734057 Fee: \$74.00  
RHSP Fee:\$10.00 Affidavit Fee:  
Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 03/28/2013 02:01 PM Pg: 1 of 19

Report Mortgage Fraud  
800-532-8785

The property identified as: PIN: 17-07-129-038-0000

Address:

Street: 2217 W Ferdinand

Street line 2:

City: Chicago

State: IL

ZIP Code: 60612

Lender: Rockland Trust Company and Beacon Clinical Trials, Inc, and Beacon Clinical Research, LLC

Borrower: 2217 W Ferdinand, LLC

Loan / Mortgage Amount: \$950,000.00

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

Certificate number: 3ACC5FEF-C90B-4548-ABE4-71E654BFAB6A

Execution date: 03/26/2013

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This Instrument Prepared By  
And After Recording Return To:

George A. Hewett, Esq.  
Davis, Malm & D'Agostine, P.C.  
One Boston Place, 37<sup>th</sup> Floor  
Boston, Massachusetts 02108  
(617) 367-2500

**OPEN-END MORTGAGE DEED  
and  
SECURITY AGREEMENT**

**THIS OPEN-END MORTGAGE DEED and SECURITY AGREEMENT** ("Mortgage") is given on March 26<sup>th</sup>, 2013. The Mortgagor is **2217 W. FERDINAND LLC**, an Illinois limited liability company whose address is 2217 W Ferdinand Street, Chicago, Illinois 60612 ("Mortgagor"). This Mortgage is given to **ROCKLAND TRUST COMPANY**, a Massachusetts trust company whose address is 280 Union Street, Rockland, Massachusetts 02370 ("Mortgagee"). **BEACON CLINICAL TRIALS, INC.**, a Massachusetts corporation and **BEACON CLINICAL RESEARCH LLC**, a Massachusetts limited liability company (jointly and severally, the "Borrower") owe Mortgagee the principal sum of Nine Hundred Fifty Thousand Dollars (\$950,000.00) and the principal sum of One Hundred Fifty Thousand Dollars (\$150,000.00) or so much thereof as may be advanced by Mortgagee under certain Loan Agreements (the "Loan Agreement") of even date herewith. This debt is evidenced by Borrower's notes dated the same date as this Mortgage (the "Notes"). This Mortgage secures to Mortgagee: (a) the repayment of the debt evidenced by the Notes, and the guarantees of the Notes by Mortgagor (the "Guarantees") with interest, and all renewals, extensions and modifications; (b) payment by Mortgagor to Mortgagee of all other liabilities and indebtedness, direct or contingent, now or hereafter owing by Mortgagor to Mortgagee; (c) the payment of all other sums, with interest, advanced under this instrument to protect the security of this Mortgage or advanced in connection with the enforcement of the Loan Documents but not limited to unpaid balances of advances made by the Mortgagee with respect to the Premises for the payment of taxes, assessments, insurance premiums or costs incurred for the protection of the Premises; and (d) the performance of Borrower's and/or Mortgagor's covenants and agreements under the Loan Agreements, the Notes, Guarantees, this Mortgage and the Loan Documents (as that term is defined in the Loan Agreement).

**The loan secured by this lien was made under a U.S. Small Business Administration ("SBA") nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:**

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- (a) When SBA is the holder of the Notes, this Agreement and all documents evidencing or securing the Loan will be construed in accordance with federal law.
- (b) Lender, as Mortgagee, or SBA may use local law or procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No debtor or guarantor may claim or assert against SBA any local or state law to deny any obligation of the Borrower or the Mortgagor, or defeat any claim of SBA with respect to the Loan.

Any clause in this Agreement requiring arbitration is not enforceable when SBA is the holder of the Notes secured by this Agreement.

For these purposes and for valuable consideration, receipt of which is hereby acknowledged, Mortgagor for itself and its successors and assigns does hereby mortgage, grant and convey to Mortgagee the real property located at 2217 W Ferdinand Street, Chicago, Illinois (the "Premises") more particularly described and set forth on Exhibit "A" which is attached hereto and incorporated herein by reference and the personal property hereinafter set forth together with all privileges and appurtenances thereunto belonging, and all the estate, title, and interest of Mortgagor either in law or in equity, of, in, and to the Premises.

To further secure Mortgage, Mortgagor hereby grants and conveys to Mortgagee as additional collateral a Mortgage in the following whether now owned or hereafter acquired, together with all replacements therefore and proceeds (including, but without limitation, insurance proceeds) and products therefore and all additions, accessions and substitutions thereof:

(a) all buildings and improvements of every kind and description now or hereafter erected or placed thereon, and all fixtures and articles of personal property now or hereafter owned by Mortgagor and attached to or contained in and used in connection with said Premises, including but not limited to all apparatus, equipment, machinery, motors, elevators, fittings, radiators, gas ranges, ice boxes, mechanical refrigerators, awnings, shades, screens, office equipment and other furnishings, and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigeration, incinerating, air-conditioning and sprinkler equipment and all fixtures and appurtenances thereto; and all renewals or replacements thereof or articles in substitution therefore, whether or not the same are or shall be attached to said building or buildings in any manner; it being mutually agreed that all the aforesaid property owned by said Mortgagor and placed by it on said Premises shall, so far as permitted by law, be deemed to be affixed to the realty and covered by this Mortgage; and

(b) all right, title and interest of Mortgagor including any after-acquired title or reversion, in and to the beds of the way, streets, avenues, and alleys adjoining the said Premises; and

(c) all and singular the tenements, hereditaments, easements, appurtenances, passages, waters, water courses, riparian rights, other rights, liberties and privileges thereof in or in any way now or hereafter appertaining, including any other claim at law or in equity as well as

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any after-acquired title, franchise or license and the reversion and reversions and remainder and remainders thereof; and

(d) all rents, issues, proceeds and profits accruing and to accrue from said Premises; and

(e) all awards and other compensation heretofore or hereafter to be made to the present and all subsequent owners of the mortgaged Premises for any taking by eminent domain, either permanent or temporary, of all or any part of the said Premises or any easement to appurtenance thereof, including severance and consequential damages and change in grade of streets, which said awards and compensation are hereby assigned to Mortgagee,

The Premises and the property described in subparagraphs (a) through (e) is collectively referred to as the Collateral.

TO HAVE AND TO HOLD the same unto said Mortgagee, its successors and assigns forever.

This Mortgage also secures the unpaid balance of loan advances to be made after this Mortgage is delivered to the Cook County Recorder for record. The maximum amount of unpaid balance of all loan advances, in the aggregate and exclusive of interest thereon and other advances made pursuant thereto, which may be outstanding at any time is Nine Hundred Fifty Thousand 00/100 Dollars (\$950,000.00) and One Hundred Fifty Thousand 00/100 Dollars (\$150,000.00).

I. **COVENANTS** Mortgagor hereby covenants and agrees with Mortgagee as follows:

1.1. **Warranty of Title.** Mortgagor warrants that it: (i) claims title to the Premises by deeds filed with the Cook County Recorder; (ii) the Mortgagor is lawfully seized with good and marketable fee simple title to the Premises subject only to those mortgages described in Exhibit "B"; (iii) has the full, complete, and sole right to convey the same with no further approval or ratification from other individuals or entities; and (iv) it will maintain the priority of the lien of, and the security interest granted by, this Mortgage upon the Premises until the Mortgagor shall be entitled to defeasance as provided herein. The Premises are free from all encumbrances whatsoever except any encumbrances permitted by Mortgagee in writing.

Mortgagor will warrant and defend said Premises, with the above mentioned appurtenances, to Mortgagee, its successors and assigns, forever, against any lawful claim or claims and demands whatsoever, except those hereinabove set forth.

1.2. **Payment of Indebtedness.** Mortgagor shall pay to Mortgagee the principal of and interest and late charges upon the Guarantees of the Notes according to the terms of the Guarantees and of the Notes secured hereby, reasonable charges fixed by Mortgagee to satisfy and discharge this Mortgage of record, and all other sums hereby secured, and shall keep and perform every other covenant and agreement of such Guarantees and such Notes and this Mortgage.

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**1.3. Waste and Maintenance of Premises.** The commission of waste shall not be permitted in or about the Premises. The Premises shall be maintained in good condition and repair, reasonable wear and tear excepted. In addition to the rights set forth in the Loan Agreement, Mortgagee shall have the right, but not the duty, to enter upon the Premises to inspect and appraise the order, condition, and repair thereof, including the interiors of any buildings and improvements located thereon.

**1.4. Insurance Obligation.** Mortgagor will procure, deliver to, and maintain for the benefit of Mortgagee during the continuance of this Mortgage and until the same is fully satisfied and released: (a) a policy or policies of insurance insuring the buildings and improvements now existing or hereafter erected on the Premises against loss or damage by all risks included in standard commercial coverage, including but not limited to fire, lightning, windstorm, hail, explosion, vehicles, smoke, and such other hazards, casualties, and contingencies as Mortgagee may designate; (b) comprehensive public liability insurance, including insurance against the assumed or contractual liability of Mortgagor, to afford protection to the limit for each occurrence of not less than One Million Dollars (\$1,000,000.00) combined single limit for bodily injury, death and property damage; and (c) if and to the extent required by law, worker's compensation or similar insurance in form and amounts required by law. All policies of insurance required hereunder shall be from such companies and in such form and amounts as Mortgagee may accept, and shall contain the Illinois standard or other mortgagee clause acceptable to Mortgagee, with loss payable to Mortgagee. Such policies shall have attached thereto a standard non-contributing mortgagee clause (in favor of and entitling the Mortgagee to collect any and all of the proceeds payable under all such insurance), providing that any act or neglect of the Mortgagor of the premises will not invalidate the interest of the Mortgagee thereunder, as well as a standard waiver of subrogation endorsement, all to be in form and content acceptable to the Mortgagee. If FEMA Form 81-93 reveals that any portion of the collateral is located in a special flood hazard zone, Mortgagee must require Mortgagor to obtain Federal flood insurance, or other appropriate special hazard insurance, in amounts equal to the lesser of the insurable value of the property or the maximum limit of coverage available. Mortgagor will promptly pay or caused to be paid when due any premiums on any policy or policies of insurance required hereunder, and will deliver or cause to be delivered to Mortgagee copies of certificates of renewals of such policy or policies at least ten (10) days prior to the expiration date(s) thereof; the said policies and renewals to be marked "paid" by the issuing company or agent. Upon Mortgagor's failure to comply with the requirements of this paragraph, Mortgagee may, in its discretion, effect any insurance required hereunder and pay the premiums due therefore, and any amount so paid by Mortgagee shall become immediately due and payable by Mortgagor with interest at the various rates of interest specified in the Notes (the "Default Rate").

Should any such loss or damage occur, Mortgagor will give immediate written notice of such loss or damage to the Mortgagee and will not adjust nor settle such loss or damage without the written consent of Mortgagee. If proof or claim of such loss or damage is not made promptly by Mortgagor, Mortgagee may make such proof of claim, loss or damage.

In the event of any loss or damage, Mortgagor will give prompt notice thereof to Mortgagee. All proceeds of insurance in the event of such loss or damage shall be payable to

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Mortgagee. All proceeds may be applied by Mortgagee, in its sole discretion, to the Obligations, and the balance, if any, shall be paid to Mortgagor.

Unless Mortgagee and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph 1.2 or change the amount of the payments. If pursuant to the terms of paragraph 2.2 herein, the Premises is acquired by Mortgagee, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Premises prior to the acquisition shall pass to Mortgagee to the extent of the sums secured by this Mortgage immediately prior to the acquisition.

## **1.5. Payment of Taxes and Other Charges.**

(a) Mortgagor shall pay all real estate taxes, water and sewer rents, other similar claims and liens assessed or which may be assessed against the Premises or any part thereof, without any deduction, defalcation, or abatement, on or before the date on which such taxes, water and sewer rents, claims and liens are due and not later than such dates, shall produce and deliver to Mortgagee receipts for the payment thereof in full and shall pay every other tax, assessment, claim, lien, or encumbrance which may at any time be or become a lien upon the Premises. Mortgagor shall keep the Premises free from voluntary or statutory liens of every kind.

(b) That in order to more fully protect the security of this Mortgage, Mortgagor will, at the option of the Mortgagee, pay to Mortgagee the following sums in addition to and concurrently with the monthly installments of principal and/or interest under the terms of the Notes until the Notes are paid in full:

(i) A sum equal to all taxes and assessments; flood, hazard and liability insurance premiums; water charges and all other impositions next due on the Premises (all as estimated by the Mortgagee) less all sums paid therefore, divided by the number of months to elapse before one (1) month prior to the date when such taxes, assessments, charges, and impositions will become delinquent, such sums to be held by Mortgagee, in trust, but without payment of interest thereon, to pay for the said taxes, assessments, charges and impositions;

(ii) All payments mentioned in the preceding subparagraph and all payments to be made under the Notes secured hereby shall be added together and the aggregate amount thereof shall be paid by Mortgagor each month in a single payment to be applied by the Mortgagee to the following items in the order set forth.

- (a) Insurance premiums, taxes, assessments, water charges and other public impositions;
- (b) Interest due on the Notes;
- (c) Principal due on the Notes.

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Any deficiency in the amount of any such aggregate monthly payment shall constitute an Event of Default hereunder and the whole of the said principal sum shall immediately become due and payable, at the option of the Mortgagee;

(c) Any excess funds accumulated under subparagraph (b) above remaining after payment of the items therein mentioned shall be credited to the subsequent monthly payments of the same nature required hereunder; but if any such item shall exceed the estimate therefore, Mortgagor shall upon demand forthwith make good the deficiency. Failure to do so before the due date of such items shall be a default hereunder and the whole of said principal sum shall immediately become due at the option of the Mortgagee. If the Premises are sold under foreclosure or are otherwise acquired by Mortgagee after default by the Mortgagor, any remaining balance of the accumulations under subparagraph (b) above shall be credited to the principal secured hereby as of the date the title to said property is acquired.

**1.6. Payment of Future Taxes.** If at any time the United States Government or any department or bureau thereof shall require internal revenue stamps on the Notes secured hereby, upon demand by Mortgagee, Mortgagor shall pay for the same; and on default of such payment within ten (10) days after demand for same, Mortgagee may, but shall not be required to, pay for such stamps and add the amount so paid to the principal indebtedness evidenced by the Notes and secured by this Mortgage, and said additional principal shall bear interest at the Default Rate. If any law or ordinance adopted hereafter imposes a tax on Mortgagee with respect to the Premises, the value of Mortgagor's equity therein, the amount of the indebtedness secured hereby, the Notes, or this Mortgage, Mortgagee shall have the right at its election from time to time to give Mortgagor thirty (30) days' written notice to pay such indebtedness secured hereby, whereupon such indebtedness shall become due, payable, and collectible at the expiration of such period of thirty (30) days, unless prior thereto, lawfully and without violation of usury laws, Mortgagor has paid any such tax in full as the same became due and payable, in which event such notice shall be deemed to have been rescinded with respect to any right of Mortgagee hereunder arising by reason of the tax so paid.

**1.7. Security Agreement.** This Mortgage creates a security interest in the Collateral and constitutes a security agreement under the Uniform Commercial Code. Mortgagor, at Mortgagor's expense shall execute, record, file and refile this mortgage and such financing statements or other security agreements as Mortgagee shall require from time to time with respect to property included in Premises.

**1.8. Condemnation.** If title to or the temporary use of the Premises, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under any governmental body or by any person, firm or corporation acting under governmental authority, Mortgagor will promptly give written notice thereof to Mortgagee describing the nature and extent of such taking. The proceeds of any award, settlement or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Premises, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Mortgagee. Mortgagor further covenants and agrees to make, execute and deliver to Mortgagee, at any time or times upon request, free, clear and discharged of any encumbrances of any kind whatsoever, any and all further assignments and/or other instruments deemed necessary by Mortgagee for the purpose of validly

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and sufficiently assigning all awards and other compensation heretofore and hereafter to be made to Mortgagor (including the assignment of any award from the United States Government at any time after the allowance of the claim therefore, the ascertainment of the amount thereof and the issuance of the warrant for payment thereof) for any taking, either permanent or temporary, under any such proceeding. Mortgagor hereby appoints Mortgagee its Attorney-in-fact, coupled with an interest, and authorize, direct and empower such Attorney, at the option of the Attorney, on behalf of Mortgagor or the heirs, personal representatives, successors or assigns of Mortgagor to adjust or compromise the claim for any such award and to collect and receive the proceeds thereof, to give proper receipts and acquittances therefore and after deducting expenses of collection, to apply the net proceeds as a credit upon any portion of the indebtedness secured hereby, as selected by Mortgagee.

In the event of a total or partial taking of the Premises, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Mortgagor.

If the Premises is abandoned by Mortgagor, or if, after notice by Mortgagee to Mortgagor that the condemner offers to make an award or settle a claim for damages, Mortgagor fails to respond to Mortgagee within thirty (30) days after the notice is given, Mortgagee is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Premises or to the sums secured by this Mortgage, whether or not then due.

Unless Mortgagee and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph 1.2 or change the amount of such payments.

## **1.9. Compliance with Laws, Statutes, Rules, Regulations or Ordinances.**

Mortgagor covenants and agrees that it: (i) shall comply with all statutes, orders, requirements or decrees relating to said Premises by any Federal, State or Municipal authority; (ii) shall observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including but not limited to zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions which are applicable to the said Premises, or which have been granted to or contracted for or by Mortgagor in connection with any existing or presently contemplated use of the said Premises; and (iii) shall not initiate, join in or consent to any change in any private restrictive covenant, or private restrictions limiting or defining the uses which may be made of the Premises or any part thereof, without after reasonable notice and prior written consent of the Mortgagee.

**1.10. Additions, Modification and Improvements.** No building or other improvement on the premises shall be erected, altered, removed or demolished nor shall any fixtures or appliances on, in, or about said buildings or improvements be severed, removed, sold or mortgaged, without the consent of Mortgagee.

**1.11. Indemnification.** The Mortgagor will protect, indemnify and save harmless Mortgagee and its officers, directors, shareholders, employees, agents, partners and respective heirs, successors and assigns (collectively, "Indemnified Parties") from and against all liabilities, obligations, claims, damages, penalties, causes of action, consultant fees, costs and



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expenses (including, without limitation, reasonable attorneys' fees and expenses except as may be limited by law or judicial order or decision entered in any action brought to recover monies under this Section) imposed upon, incurred by or asserted against the Indemnified Parties by reason of (i) ownership of any interest in the Premises or any part thereof, (ii) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Premises or any part thereof or the adjoining sidewalks, curbs, sewers, vaults and vault space, if any, streets or ways, (iii) any use, disuse, or condition of the Premises or any part thereof, or the adjoining sidewalks, curbs, sewers, vaults and vault space, if any, streets or ways, (iv) any failure on the part of Mortgagor to perform or comply with any of the terms hereof, (v) any necessity to defend any of the rights, title or interest conveyed by this Mortgage, or (vi) the performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof, (vii) the presence of any Hazardous Materials by the Signatories in or affecting the Premises; and (viii) the enforcement or attempted enforcement against the Signatories, the Premises and/or the Collateral of any Environmental Laws. In case any action, suit or proceeding is brought against the Indemnified Parties for any such reason, upon the Indemnified Parties' request Mortgagor will, at Mortgagor's expense, cause such action, suit or proceeding to be resisted and defended by counsel designated by the Mortgagor and approved by the Indemnified Parties. Any amounts payable to the Indemnified Parties under this paragraph 1.11 which are not paid within ten (10) days after written demand therefore shall bear interest at the then applicable rate pursuant to the Loan Agreement from the date of such demand, and such amounts, together with such interest, shall be indebtedness secured by this Mortgage. The obligations of Mortgagor under this Section shall survive any defeasance of the Mortgage.

**1.12. Advances to Protect Security.** If Mortgagor fails to pay any tax, claim, lien or encumbrance which shall be or become prior in lien to this Mortgage, or to pay any insurance premium as aforesaid, or to keep the Premises in repair, as aforesaid, or commits or permits waste, then Mortgagee, at its option, may pay said claim, lien, encumbrance, tax, assessment, or premium, with right of subrogation thereunder, may make such repairs and take such steps as it deems advisable to prevent or cure such waste, and may appear in any action or proceeding with respect to any of the foregoing and retain counsel therein, and take such action therein as Mortgagee deems advisable, and for any of said purposes Mortgagee may advance such sums of money as it deems necessary. Mortgagor will pay to Mortgagee, immediately and without demand, all sums of money advanced by Mortgagee pursuant to this paragraph, together with interest on each such advance at the Default Rate.

**1.13. Protection of Mortgagee's Rights in the Premises.** If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or in the Loan Agreement or there is a legal proceeding that may significantly affect Mortgagee's rights in the Premises (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Mortgagee may do and pay for whatever is necessary to protect the value of the Premises and Mortgagee's rights in the Premises. Mortgagee's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Premises to make repairs. Although Mortgagee may take action under this paragraph 1.13, Mortgagee is not required to do so. Any amount disbursed by Mortgagee under this paragraph 1.13 shall become additional debt of Mortgagor secured by this Mortgage. Unless Mortgagor and Mortgagee agree to other terms of payment, these amounts shall bear interest

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from the date of disbursement at the Default Rate and shall be payable, with interest, upon notice from Mortgagee to Mortgagor requesting payment.

**1.14. Recordation.** Mortgagor, at its expense, shall cause this Mortgage, any instruments supplemental hereto, financing statements, including all necessary amendments, supplements, and appropriate continuation statements to be recorded, registered and filed, and to be kept recorded, registered and filed, in such manner and in such places as may be required in order to establish, preserve and protect the lien of this Mortgage as a valid, mortgage lien on all real property, fixtures and interest therein included in the Premises and a valid, perfected first priority security interest in all personal property, fixtures and interest therein included in the Premises (including in each such case, without limitation, any such properties acquired after the execution hereof).

**1.15. After-Acquired Property.** All property of every kind acquired by the Mortgagor after the date hereof, which by the terms hereof is intended to be subject to the lien of this Mortgage, shall immediately upon the acquisition thereof by the Mortgagor, and without further mortgage, conveyance or assignment, become the subject to the lien of this Mortgage as fully as though now owned by Mortgagor and specifically described herein. Nevertheless, the Mortgagor shall take such actions and execute and deliver such additional instruments as the Mortgagee shall reasonably require to further evidence or confirm the subjection to the lien of this Mortgage of any such property.

**1.16. No Claims Against Mortgagee.** Nothing contained in this Mortgage shall constitute any request by the Mortgagee, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof, or be construed to give the Mortgagor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would provide the basis for any claim either against the Mortgagee or that any lien based on materials or other property is prior to the lien of this Mortgage.

## II. DEFAULT AND BREACH

**2.1. Events of Default.** The occurrence of any of the following events shall constitute events of default ("Events of Default") hereunder:

(a) The Mortgagor shall, pursuant to the Guarantee, fail to pay any installment of the principal of, or interest on the Notes, as and when due and payable;

(b) The Mortgagor shall fail to pay any other sum required to be paid in the Guarantees of the Notes, the Loan Agreement, this Mortgage or in any other Loan Document;

(c) The transfer or encumbrance of all or any part of the Premises or any portion thereof or any interest therein (or any beneficial interest in any successor that obtains an interest) without Mortgagee's prior written consent;

(d) The issuance or filing of any attachment, levy, garnishment or other judicial process proceeding upon or in respect of the Premises; and

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(e) The occurrence of any Event of Default as defined in the Loan Agreement or in any other security agreement, Loan Document or devices securing the Notes.

## 2.2. Foreclosure.

(a) The Mortgagee may also, before or after entry, sell the Premises without appraisal (the Mortgagor having waived, in paragraph 2.5 hereof, and assigned to Mortgagee all rights of appraisal):

(i) at judicial sale pursuant to the provisions of 28 U.S.C. 2001(a); or

(ii) at the option of the Mortgagee, either by auction or by solicitation of sealed bids for the highest and best bid complying with the terms of sale and manner of payment specified in the published notice of sale, first giving four weeks' notice of the time, terms, and place of such sale, by advertisement not less than once during each of said four weeks in a newspaper published or distributed in the county in which said property is situated, all other notice being hereby waived by the Mortgagor (and said Mortgagee, or any person on behalf of said Mortgagee, may bid with the unpaid indebtedness evidenced by the Notes). Said sale shall be held at or on the Premises to be sold or at the Federal, county, or city courthouse for the county in which the Premises are located. The Mortgagee is hereby authorized to execute for and on behalf of the Mortgagor and to deliver to the purchaser at such sale a sufficient conveyance of said Premises, which conveyance shall contain recitals as to the happening of the default upon which the execution of the power of sale herein granted depends; and the said Mortgagor hereby constitutes and appoints the Mortgagee or any agent or attorney of the Mortgagee, the agent and attorney in fact of said Mortgagor to make such recitals and to execute said conveyance and hereby covenants and agrees that the recitals so made shall be effectual to bar all equity or right of redemption, homestead, dower, and all other exemptions of the Mortgagor, all of which are hereby expressly waived and conveyed to the Mortgagee; or

(iii) take any other appropriate action pursuant to state or Federal statute either in state or Federal court or otherwise for the disposition of the Premises.

In the event of a sale as hereinbefore provided, the Mortgagor or any persons in possession under the Mortgagor shall then become and be tenants holding over and shall forthwith deliver possession to the purchaser at such sale or be summarily ejected or dispossessed, in accordance with the provisions of applicable law. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise, and are granted as cumulative to the remedies for collection of said indebtedness provided by law.

In the event the Premises are sold at a judicial foreclosure sale or pursuant to the power of sale hereinabove granted, and the proceeds are not sufficient to pay the total indebtedness secured by this Mortgage, the Mortgagee will be entitled to a deficiency judgment for the amount of the deficiency without regard to appraisal.

(b) Possession and Receivership. Upon the occurrence of an Event of Default, Mortgagee may enter into possession of the Premises, (by judicially appointed receiver or

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otherwise) with or without legal action, and by force if necessary; lease the same; collect all rents and profits therefrom and, after deducting all costs of collection and administration expense, apply the net rents and profits to the payment of taxes, water and sewer rents, charges and claims, insurance premiums, and all other carrying charges (including, but not limited to, agents' compensation and fees and costs of counsel and receivers) and to the maintenance, repair, or restoration of the Premises, or on account and in reduction of the principal or interest, or principal and interest, hereby secured or in such order and amounts as Mortgagee in Mortgagee's sole discretion may elect; and have a receiver appointed to enter into possession of the Premises, collect the rents and profits therefrom, and apply the same as the court may direct. Mortgagee shall be liable to account only for rents and profits actually received by Mortgagee.

(c) Additional Remedies. The Mortgagee may also exercise any right or remedy granted to Mortgagee in any Loan Document and those allowed by all applicable laws, including without limitation, the Uniform Commercial Code as enacted in any jurisdiction in which any Collateral may be located.

(d) Application of Proceeds. To the extent permitted by law, there shall be included in any judgment or decree foreclosing this Mortgage and to be paid out of said rents or the proceeds of any sale made in pursuance of any such judgment or decree: (1) all costs and expenses of such suit or suits, including advertising, sale and conveyance, attorneys', solicitors stenographers' fees, outlays for documentary evidence and cost of any abstract, environmental site assessment, title examination, and title report; (2) all monies advanced by Mortgagee, if any, for any purpose authorized in this mortgage, with default interest as herein provided; (3) all the accrued interest remaining unpaid on the indebtedness hereby secured; (4) all the said principal money remaining unpaid. The surplus of the proceeds, if any, shall be paid to the said Mortgagor on reasonable request, or as the court may direct.

### **2.3. Mortgagor Not Released; Forbearance By Mortgagee Not a Waiver.**

Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Mortgagee to any successor in interest of Mortgagor shall not operate to release the liability of the original Mortgagor or Mortgagor's successors in interest. Mortgagee shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Mortgagor or Mortgagor's successor in interest. Any forbearance by Mortgagee in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**2.4. Costs and Expenses.** The Mortgagor shall pay or reimburse the Mortgagee for, and indemnify and save harmless the Mortgagee against all expenses necessary or incidental to the protection of the lien and priority of this Mortgage and for expenses incurred by the Mortgagee in seeking to enforce the provisions hereof and of the Liabilities (whether before or after default), including but not limited to costs of evidence of title to and survey of the Property, costs of recording this and other instruments, actual, reasonable attorney fees (including, but not limited to, fees incurred in participating or taking action in any bankruptcy or other insolvency proceeding of Mortgagor), trustees' fees, court costs, and expenses of advertising, selling and conveying the Premises. All such payments or reimbursements shall be paid immediately to the Bank, shall be added to the Obligations, shall be secured by this

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Mortgage, and shall bear interest at the highest rate specified in the Obligations from the date incurred by the Mortgagee until fully paid.

**2.5. Waiver of Appraisal, Valuation.** Mortgagor hereby waives to the full extent it may lawfully do so, the benefit of all appraisal, valuation, stay and execution laws now or hereafter in force and all rights of marshalling of assets in the event of any sale of the Premises, any part thereof or any interest therein and any court having jurisdiction to foreclose the lien hereof may sell the Premises in part or as an entirety.

**III. SATISFACTION AND RELEASE** If Mortgagor complies with the provisions of this Mortgage and pays to Mortgagee said principal sum, and all other sums payable by Mortgagor to Mortgagee as are hereby secured, in accordance with the provision of the Notes and in the manner at the times therein set forth, without deduction, fraud, or delay, then and from thenceforth this Mortgage, and the estate hereby granted, shall cease and become void, anything hereinbefore contained to the contrary notwithstanding and Mortgagee shall satisfy the Mortgage of record. If any payment to the Mortgagee on any of the Obligations wholly or partially invalidated, set aside, declared fraudulent, or required to be repaid to the Mortgagor or anyone representing the Mortgagor or the Mortgagor's creditors under any bankruptcy or insolvency act or code, under any state or federal law, or any common law or equitable principles, then this Mortgage shall remain in full force and effect or be reinstated, as the case may be, until payment in full to the Mortgagee of the repaid amounts, and the Obligations. If this Mortgage must be reinstated, the Mortgagor agrees to execute and deliver to the Mortgagee new mortgages, if necessary, in form and substance acceptable to the Mortgagee covering the Premises.

## IV. MISCELLANEOUS

**4.1. Notices.** Any notice to Mortgagor provided for in this Mortgage shall be given by delivering it or by mailing it by first class mail unless applicable law required use of another method. The notice shall be directed to the Premises Address or any other address Mortgagor designated by notice to Mortgagee. Any notice to Mortgagee shall be given by first class mail to Mortgagee's address stated herein or any other address Mortgagee designates to Mortgagor. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given as provided in this paragraph.

**4.2. Successors and Assigns Bound; Joint and Several Liability of Co-signors.** The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Mortgagee and Mortgagor. Mortgagor and any person(s) executing the Notes shall be jointly and severally liable for the performance of the covenants and agreements set forth herein and therein.

**4.3. Cumulative Rights and Remedies.** The rights and remedies of Mortgagee as provided herein, or in said Notes, and the warrants therein contained, shall be cumulative and concurrent, and may be pursued singly, successively as often as occasion therefore shall occur.

**4.4. Lawful Rates of Interest.** All agreements between Mortgagor and Mortgagee are hereby expressly limited so that in no contingency or event whatsoever shall the

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amount paid, or agreed to be paid, to Mortgagee for the use, forbearance, or detention of the money due under the Notes secured hereby exceed the maximum amount permissible under applicable law. If, due to any circumstances whatsoever, fulfillment of any provision hereof, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances Mortgagee should ever receive as interest an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the Note secured hereby and not to the payment of interest.

**4.5. Governing Law.** Except as otherwise provided herein, this Mortgage shall be governed by the laws of the State of Illinois.

**4.6. Severability.** In case any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Mortgage shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

**4.7. Time of Essence.** Time is of the essence in the performance of the terms and conditions of this Mortgage.

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

**4.9. Subrogation.** The Mortgagee shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the indebtedness secured hereby.

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

**4.11. No Waiver by Mortgagee.** No failure by Mortgagee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term or of any such breach. No waiver of any breach shall affect or alter this Mortgage, which shall continue in full force and effect with respect to any other then existing or subsequent breach.

**4.12. Construction.** The words "Mortgagor" and "Mortgagee" include singular or plural, individual or corporation, and the respective heirs, executors, administrators,

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successors, and assigns of Mortgagor and Mortgagee, as if the case may be. The use of any gender applies to all genders.

**4.13. Captions.** The captions herein are inserted only for convenience of reference and in no way define, limit, or describe the scope or intent of this Mortgage or any particular paragraph or section hereof nor the proper construction hereof.

**4.14. Definitions.** Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to such terms in the Loan Agreement.

## **4.15 WAIVER OF NOTICE OF JURY TRIAL.**

IN ANY ACTION TO FORECLOSE THIS MORTGAGE OR TO COLLECT THE GUARANTY SECURED HEREBY OR TO COLLECT A DEFICIENCY AFTER THE FORECLOSURE OF THIS MORTGAGE, MORTGAGOR HEREIN SPECIFICALLY WAIVES ITS RIGHT TO ANY NOTICE OF HEARING OR HEARING, OR THE ESTABLISHMENT OF A BOND, WITH OR WITHOUT SURETY, WHICH MORTGAGOR WOULD OTHERWISE BE ENTITLED TO UNDER STATE OR FEDERAL LAW PRIOR TO AN ATTACHMENT BEING PLACED AGAINST ANY REAL OR PERSONAL PROPERTY OWNED BY MORTGAGOR IN THE STATE OF OHIO, OR PRIOR TO MORTGAGEE'S RESORT TO ANY OTHER PREJUDGMENT REMEDY ALLOWED BY LAW. THE MORTGAGOR ACKNOWLEDGES THAT THIS MORTGAGE AND THE GUARANTEES OF THE NOTES SECURED HEREBY EVIDENCE A COMMERCIAL TRANSACTION. MORTGAGOR EXPRESSLY WAIVES ALL REQUIREMENTS OF PRESENTMENT, PROTEST, NOTICE OF DISHONOR OR NON-PAYMENT, NOTICE OF PROTEST AND ALL DILIGENCE.

MORTGAGOR DOES HEREBY WAIVE TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION, OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE FINANCIAL TRANSACTION OF WHICH THE NOTES, THE GUARANTIES AND THIS MORTGAGE ARE A PART AND/OR THE DEFENSE OR ENFORCEMENT OF ANY OF MORTGAGEE'S RIGHTS AND REMEDIES. MORTGAGOR ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY, VOLUNTARILY, AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER WITH THEIR ATTORNEYS.

**4.16 Illinois Provisions, Illinois Mortgage Foreclosure Law.** If any provisions of this Mortgage are inconsistent with any provision of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 et seq. (the "Act"), the provisions of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provisions of this Mortgage that can be construed in a manner consistent with the Act. If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights or remedies that would otherwise be vested in Mortgagee under the Act in absence of said provisions, Mortgagee shall be vested with the rights and remedies granted in the Act to the full extent permitted by law.

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(b) Mortgaged Property Not Agricultural. Mortgagor acknowledges that the Premises does not constitute agricultural real estate, as said term is defined in Section 15-1201 of the Act. Mortgagor hereby waives any and all rights of redemption from sale under the existing laws of the State of Illinois as a deed passing title, and not as a mortgage, and is intended to secure the payment of all sums secured hereby judgment of foreclosure of this instrument on behalf of Mortgagee, and on behalf of each and every person acquiring any interest in or title to the Premises of any nature whatsoever, subsequent to the date of this Mortgage. The foregoing waiver of right of redemption is made pursuant to the provisions of Section 15-1601(b) of the Act.

(c) Mortgagee Receives Benefit of Act. Mortgagee shall have the benefit of all of the provisions of the Act, including all amendments thereto which may become effective from time to time after the date hereof. In the event any provision of the Act which 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.

(d) Business Loan. The Mortgagor certifies and agrees that the proceeds of the loans secured by this Mortgage will be disbursed to or for the benefit of an entity that constitutes a business as specified in Section 4 of the Illinois Interest Act (815 ILCS 205/1 et seq.), and that the principal obligation secured hereby constitutes a "business loan" within the definition and purview of said Section.

(e) Future Advances. This Mortgage is given to secure not only existing indebtedness, but also for the purpose of securing future advances which the Mortgagee may make to or for Mortgagor pursuant and subject to the terms and provisions of the Guarantee and of the Notes. The parties hereto intend that, in addition to any other debt or obligation secured hereby, this Mortgage shall secure unpaid balances of loan advances made after this Mortgage is delivered to the appropriate recording office of Cook County, Illinois, whether made pursuant to an obligation of the Mortgagee or otherwise, and in such event, such advances shall be secured to the same extent as if such future advances were made on the date hereof, although there may be no advance made at the time of execution hereof and although there may be no indebtedness outstanding at the time any advance is made. Such loan advances may or may not be evidenced by notes other than the Notes. The total amount of indebtedness that may be secured may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed the maximum principal amount secured hereby, plus interest thereof, and any disbursements made for the payment of taxes, or insurance on the Premises, with interest on such disbursements.

[signature page to follow]





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Exhibit "A"

THE EAST 66.02 FEET OF LOTS 6, 7, 8, 9 AND 10 TAKEN AS A TRACT IN C. J. HUL'S SUBDIVISION OF BLOCK 26 OF CANAL TRUSTEE'S SUBDIVISION OF SECTION 7, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 17-07-129-038-0000

Address: 2217 W. Ferdinand, Chicago, Illinois 60612

Property of Cook County Clerk's Office

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Exhibit "B"

MORTGAGE DATED AUGUST 20, 2012 AND RECORDED ON AUGUST 20, 2012 AS DOCUMENT NO. 1224157097 MADE BY 2217 W. FERDINAND LLC TO AMALGAMATED BANK OF CHICAGO TO SECURE AN INDEBTEDNESS IN THE ORIGINAL AMOUNT OF \$1,050,000.00.

Property of Cook County Clerk's Office