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## Illinois Anti-Predatory Lending Database Program

### Certificate of Exemption

C.T.I./W  
SA 9470003-

201342536

2013  
1/16

Report Mortgage Fraud  
800-532-8785



Doc#: 1329618001 Fee: \$66.00  
RHSP Fee: \$9.00 RPRF Fee: \$1.00  
Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 10/23/2013 09:25 AM Pg: 1 of 15

The property identified as: P/N: 16-13-331-038-0000

#### Address:

Street: 2800 W Roosevelt Road

#### Street line 2:

City: Chicago

State: IL

ZIP Code: 60612

Lender: Cira, LTD

Borrower: Scar, LTD

Loan / Mortgage Amount: \$35,000.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 777/0 et seq. because the application was taken by an exempt entity.

Certificate number: DFBA08C2-E1D4-4129-B2F7-54586BDA8C71

Execution date: 07/30/2013

BOX 333-CD

S 4  
P 15  
S N  
SCY  
INT OK

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## MORTGAGE

THIS INDENTURE ("Mortgage") is made on July 30, 2013, by Scar Ltd., an Illinois corporation (Mortgagor), to Cira, Ltd., an Illinois corporation] (Mortgagee):

### WITNESSETH:

Mortgagor is justly indebted to Mortgagee in the principal sum of [THIRTY FIVE THOUSAND AND NO/100 DOLLARS (\$35,000.00)] evidenced by a certain note (Note) of even date herewith in that amount, made by Mortgagor and payable to the order of and delivered to Mortgagee, in and by which said Note Mortgagor promises to pay the said principal sum and interest in the manner and at the rates as provided therein. The unpaid principal amount and all accrued and unpaid interest due under the Note, if not sooner paid, shall be due on August 1, 2043, except that if certain conditions described in the Note are not satisfied in accordance with the provisions thereof, the unpaid principal amount and all accrued and unpaid interest due under the Note shall be due on such earlier date or dates as are specified in the Note. All such payments on account of the indebtedness evidenced by the Note shall be first applied to interest on the unpaid principal balance and the remainder to principal, and all of said principal and interest shall be payable at such place as the holder or holders of the Note may from time to time in writing appoint, and in the absence of such appointment, then at the office of Mortgagee.

NOW, THEREFORE, Mortgagor, to secure the payment of said principal sum of money and said interest in accordance with the terms, provisions, and limitations of this Mortgage, and of the Note secured hereby, together with any extensions, renewals, or refinancings thereof, and the performance of the covenants and agreements herein contained by Mortgagor to be performed and all of Mortgagor's other present and future debts, liabilities and obligations to Mortgagee (which amount secured by this Mortgage shall not exceed \$35,000 (THIRTY FIVE THOUSAND AND NO/100 DOLLARS)), and also in consideration of the sum of [TEN DOLLARS (\$10.00)] in hand paid, the receipt whereof is hereby acknowledged, does by these presents MORTGAGE, GRANT, REMISE, RELEASE, A LIEN, AND CONVEY unto Mortgagee, its successors, and assigns, the real estate and all of Mortgagor's estate, right, title, and interest therein situated and located in COOK County, Illinois, commonly known as 2800 W. Roosevelt Rd. Chicago, Illinois, as legally described in Exhibit A attached hereto and made a part hereof, which, together with the property hereinafter described, is referred to herein as the "Premises";

TOGETHER with all easements, rights-of-way, strips and gores of land, vaults, streets, alleys, water rights, mineral rights, and rights used in connection with the Premises or to provide a means of access to the Premises, and all tenements, hereditaments, and

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appurtenances thereof and thereto pertaining or belonging, and all underground and overhead passageways and licenses in connection therewith;

**TOGETHER** with all leasehold estates, right, title, and interest of the Mortgagor in any and all leases, subleases, management agreements, arrangements, concessions, or agreements, written or oral, relating to the use and occupancy of the Premises and improvements or any portion thereof located thereon, now or hereafter existing or entered into;

**TOGETHER** with all rents, issues, and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily);

**TOGETHER** with all buildings and improvements, tenements, easements, fixtures, and appurtenances thereto belonging, and all rents, issues, and profits thereof and therefrom for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), and all shades, awnings, venetian blinds, screens, screen doors, storm doors, and windows, stoves and ranges, refrigerators, curtain and drapery fixtures, partitions, and attached floor coverings, now or hereafter therein or thereon, and all fixtures, apparatus, equipment, and articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing) all fixtures, apparatus, equipment, and articles, other than such as constitute trade fixtures used in the operation of any business conducted on the Premises as distinguished from fixtures that relate to the use, occupancy, and enjoyment of the Premises, and other than such as are owned by any tenant of all or any portion of the Premises, it being understood that the enumeration of any specific articles of property shall in no way exclude or be held to exclude any items of property not specifically mentioned. All of the land, estate, and property hereinabove described, real, personal, and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified), and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed, and declared, to the maximum extent permitted by law, to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall be for the purposes of this Mortgage deemed to be real estate and conveyed and mortgaged hereby; and

**TOGETHER** with all the estate, interest, right, title, and other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereafter acquire in the Premises, and any and all awards made for the taking by eminent domain, or by any proceedings or purchase in lieu thereof, of the whole or any part of the Premises, including without limitation any awards resulting from the change of grade of streets and awards for severance damages.

**TO HAVE AND TO HOLD** the Premises unto Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth. Mortgagor represents and covenants that (a) Mortgagor is the holder of fee-simple title to the Premises free and clear of all liens and encumbrances, except for such liens and encumbrances as shall have been expressly approved by Mortgagee; (b) Mortgagor has legal power and authority to mortgage and convey the Premises as herein provided; and (c) Mortgagor will warrant and forever defend said Premises and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

**IT IS FURTHER UNDERSTOOD AND AGREED THAT:**

1. Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, Etc.

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Mortgagor shall (a) promptly repair, restore, or rebuild any buildings or improvements now or hereafter on the Premises that may become damaged or be destroyed; (b) keep the Premises in good condition and repair, without waste, and free from mechanics liens or other liens or claims for lien, except that Mortgagor shall have the right either to (i) place a bond with Mortgagee in amount, form, content, and issued by a surety acceptable to Mortgagee for the payment of any such lien, or (ii) obtain a title indemnity insuring Mortgagee's interest against said lien in amount, form, content, and issued by a title insurance company acceptable to Mortgagee, in either case within [thirty (30)] days after notice of the filing thereof; (c) immediately pay when due any indebtedness that may be secured by a lien or charge on the Premises superior or inferior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of any such lien to Mortgagee; (d) complete any building or buildings, and all construction work with respect thereto, now or at any time in process of construction on the Premises; (e) comply with all requirements of law, municipal ordinances, and restrictions of record with respect to the Premises or the use thereof, including, without limitation, those relating to building, zoning, environmental protection, health, fire, and safety; (f) make no structural or nonstructural alterations to the Premises or any buildings or other improvements now or hereafter constructed thereon, without the prior written consent of Mortgagee; (g) suffer or permit no change in the general nature of the occupancy of the Premises, without the prior written consent of Mortgagee; (h) initiate or acquiesce in no zoning reclassification, without the prior written consent of Mortgagee; and (i) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of the Note. As used in this Article and elsewhere in this Mortgage, the term "indebtedness" shall mean and include the principal sum evidenced by the Note, together with all interest thereon and all other amounts payable to Mortgagee thereunder, and all other sums at any time secured by this Mortgage.

## 2. Payment of Taxes and Assessments

Mortgagor shall pay or cause to be paid, before any penalty or interest attaches, all general taxes, special taxes, special assessments, water charges, sewer service charges, and electric, gas, and other utility charges, and all other liens or charges levied or assessed against the Premises of any nature whatsoever, when due, and shall furnish to Mortgagee duplicate receipts of payment therefor. If any special assessment is permitted by applicable law to be paid in installments, Mortgagor shall have the right to pay such assessment in installments, so long as all such installments are paid prior to the due date thereof.

## 4. Mortgagee's Interest in and Use of Deposits

In the event of a default under any of the provisions contained in this Mortgage or in the Note secured hereby, Mortgagee may, at its option, without being required so to do, apply any moneys at the time on deposit pursuant to Paragraph 3 hereof to any of Mortgagor's obligations herein or in the Note contained, in such order and manner as Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor. Such deposits are hereby pledged as additional security for the indebtedness hereunder, shall not earn interest, and shall be irrevocably applied by Mortgagee for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor; provided, however, that Mortgagee shall not be liable for any failure to apply to the payment of Taxes, any amount so deposited. In addition, Mortgagee shall not be liable for any act or omission taken in good faith or pursuant to the instruction of any party.

## 5. Insurance

Mortgagor shall at all times keep all buildings, improvements, fixtures, and articles of

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personal property now or hereafter situated on the Premises insured, pursuant to an all-risk policy of insurance issued by an insurance company approved by Mortgagee, against loss or damage by fire and such other hazards as may be required by Mortgagee, including without limitation (a) fire and extended coverage insurance, with vandalism and malicious mischief endorsements, for the full replacement value of the Premises; (b) if there are tenants under leases at the Premises, rent or business loss insurance for the same perils described in (a) above, payable at the rate per month specified from time to time by Mortgagee and for a period of [one year]; (c) boiler and sprinkler damage insurance in an amount satisfactory to Mortgagee, if and so long as the Premises shall contain a boiler and sprinkler system, respectively; (d) if the Premises are located in a flood hazard district, flood insurance whenever in the opinion of Mortgagee such protection is necessary and is available; and (e) such other insurance as Mortgagee may from time to time reasonably require. Mortgagor also shall at all times maintain comprehensive public liability, property damage, and workers' compensation insurance covering the Premises and any employees thereon, with such limits for personal injury, death, and property damage as Mortgagee may reasonably require. All policies of insurance to be furnished hereunder shall be in forms, amounts, and deductibles, and from companies satisfactory to Mortgagee, with mortgage clauses attached to all policies in favor of and in form reasonably satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without [thirty (30)] days' prior written notice to Mortgagee. Mortgagor shall deliver copies of all policies, including additional and renewal policies, to Mortgagee, and, in the case of insurance about to expire, shall deliver copies of all renewal policies not less than [thirty (30)] days prior to their respective dates of expiration.

Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a standard mortgage clause acceptable to Mortgagee. Mortgagor immediately shall notify Mortgagee whenever any such separate insurance is taken out and promptly shall deliver to Mortgagee the policy or policies of such insurance.

Unless the Mortgagor provides the Mortgagee with evidence of the insurance coverage required by this Mortgage or any of the other Loan Documents, Mortgagee may purchase insurance at the Mortgagor's expense to protect Mortgagee's interests in the Premises. This insurance may, but need not, protect the Mortgagor's interests. The coverage the Mortgagee purchases may not pay any claim that the Mortgagor makes or any claim that is made against the Mortgagor in connection with the Premises. The Mortgagor may later cancel any insurance purchased by Mortgagee but only after providing Mortgagee with evidence that the Mortgagor has obtained insurance as required by this Mortgage or any of the other Loan Documents. If Mortgagee purchases insurance for the Premises, the Mortgagor will be responsible for the cost of that insurance, including interest and any other charges incurred. Mortgagor may lawfully impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The cost of the insurance may be added to the total outstanding Indebtedness. The cost of the insurance obtained by Mortgagee may be more than the cost of insurance that the Mortgagor may be able to obtain on its own.

In the event of loss, Mortgagor will give immediate notice by mail to Mortgagee, who may make proof of loss if not made promptly by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Mortgagee instead of to Mortgagor and Mortgagee jointly, and the insurance proceeds, or any part thereof, shall, at the option of Mortgagee, either be applied by Mortgagee to (a) the outstanding indebtedness due from Mortgagor to Mortgagee, or (b) the restoration or repair of the property damaged as provided in Paragraph 19 hereof. In the event of an entry of decree of foreclosure of this Mortgage, all right, title, and interest of Mortgagor in and to

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any and all insurance policies then in force shall pass to the purchaser at the foreclosure sale. Mortgagor shall furnish Mortgagee, without cost to Mortgagee, at the request of Mortgagee, from time to time, evidence of the replacement value of the Premises. In the event of an entry of decree of foreclosure, Mortgagor authorizes and empowers Mortgagee to effect insurance on the Premises in the amounts aforesaid, for a period covering the time from entry of said decree to and including the date of sale, and if necessary therefor, to cancel any or all existing insurance policies.

## 6. Condemnation

If all or any part of the Premises are damaged, taken, or acquired, either temporarily or permanently, in any consideration proceeding, or by exercise of the right of eminent domain, the amount of any award or other payment for such taking or damage made in consideration thereof, to the extent of the full amount of the remaining unpaid indebtedness secured by this instrument, is hereby assigned to Mortgagee, who is empowered to collect and receive the same and to give proper receipts therefor in the name of Mortgagor, and the same shall be paid forthwith to Mortgagee, who shall release any such award or moneys so received or apply the same in whole or in part, after the payment of all of its expenses, including costs and attorneys fees, at the option of Mortgagee either to (a) the outstanding indebtedness due from Mortgagor to Mortgagee or (b) the restoration or repair of the property damaged as provided in Paragraph 19 hereof if the property can be restored or repaired to constitute a complete architectural unit. In the event the said property cannot be restored or repaired to constitute a complete architectural unit, then such award or moneys received, after the payment of the expenses of Mortgagee as aforesaid, shall be applied on account of the unpaid principal balance of the Note, irrespective of whether such principal balance is then due and payable. Furthermore, in the event such award or moneys so received shall exceed the cost of restoration or repair of the property and the expenses of Mortgagee as aforesaid, then such excess moneys shall be applied on account of the unpaid principal balance of the Note.

## 8. Observance of Lease Assignment

As additional security for the payment of the Note secured hereby and for the faithful performance of the terms and conditions contained herein, Mortgagor, as lessor, hereby assigns to Mortgagee all of its right, title, and interest as lessor in and to any and all leases (each, a "Lease," and collectively, the "Leases") that now or hereafter affect the Premises.

Mortgagor will not, without Mortgagee's prior written consent, (a) execute any new lease or renew, cancel, modify, or amend any existing lease for all or any portion of the Premises; (b) execute an assignment or pledge of any rents and/or any leases affecting all or any portion of the Premises on less favorable terms than the previous lease or the existing lease, as the case may be; or (c) accept any prepayment of any installment of any rents more than [thirty (30)] days before the due date of such installment, other than security and other deposits.

Mortgagor, at its sole cost and expense, will (a) at all times promptly and faithfully abide by, discharge, and perform all of the covenants, conditions, and agreements contained in all Leases affecting all or any portion of the Premises, on the part of the lessor thereunder to be kept and performed; (b) use its best efforts to enforce or secure the performance of all of the covenants, conditions, and agreements of such Leases on the part of the lessees to be kept and performed; (c) appear in and defend any action or proceeding arising under, growing out of, or in any manner connected with such Leases or the obligations, duties, or liabilities of the lessor or of the lessees thereunder; (d) as additional security for the payment of the Note secured hereby and for the faithful performance of the terms and conditions contained herein, transfer and assign to Mortgagee any Lease or Leases affecting all or any portion of

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the Premises heretofore or hereafter entered into, and make, execute, and deliver to Mortgagee, upon demand, any and all instruments required to effectuate said assignment; (e) give written notice to Mortgagee within [five (5)] days of the occurrence of any material default under any Lease affecting all or any portion of the Premises; and (f) exercise within [five (5)] days of any demand therefor by Mortgagee any right to request from the lessee under any Lease affecting all or any portion of the Premises a certificate with respect to the status thereof.

Nothing in this Mortgage or in any other documents relating to the loan secured hereby shall be construed to obligate Mortgagee, expressly or by implication, to perform any of the covenants of Mortgagor as lessor under any of the Leases assigned to Mortgagee or to pay any sum of money or damages therein provided to be paid by the lessor, each and all of which covenants and payments Mortgagor agrees to perform and pay.

In the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the lessee under each Lease affecting all or any portion of the Premises shall, at the option of Mortgagee, attorn to any person succeeding to the interest of Mortgagor as a result of such enforcement and shall recognize such successor in interest as lessor under such Lease without change in the terms or other provisions thereof; provided, however, that said successor in interest shall not be bound by any payment of rent or additional rent for more than [one (1)] month in advance or any amendment or modification to any lease made without the consent of Mortgagee or said successor in interest. Each lessee, upon request by said successor in interest, shall execute and deliver an instrument or instruments confirming such attornment.

Mortgagee shall have the option to declare this Mortgage (after the expiration of the cure period expressly provided for in Paragraph 13(b) below) in default because of a default of the lessor under any Lease affecting all or any portion of the Premises that is not cured by the lessor within the applicable cure period, if any, whether or not such default is cured by Mortgagee pursuant to the right granted herein. It is covenanted and agreed that a default remaining uncured after the expiration of any applicable cure periods expressly provided for under this Paragraph 8 or under any assignment of leases executed pursuant to this Paragraph 8 shall constitute a default hereunder on account of which the whole of the indebtedness secured hereby shall at once, at the option of Mortgagee, become immediately due and payable without notice to Mortgagor.

## 11. Mortgagee's Performance of Defaulted Acts

In case of default hereunder, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise, or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or consent to any tax or assessment or cure any default of lessor under any lease affecting all or any portion of the Premises. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other moneys advanced by Mortgagee in regard to any tax referred to in Paragraph 7 hereof or to protect the Premises or the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at an annual rate equal to the "Default Rate" (as defined in the Note). The interest accruing under this Paragraph 11 shall be immediately due and payable by Mortgagor to Mortgagee, and shall be additional indebtedness evidenced by the Note and secured by this Mortgage. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor.

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## 12. Mortgagee's Reliance on Tax Bills and Claims for Lien

Mortgagee, in making any payment hereby authorized (a) relating to Taxes, may do so according to any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement, or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien, or title or claim thereof; or (b) for the purchase, discharge, compromise, or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien that may be asserted.

## 13. Acceleration of Indebtedness in Event of Default

The occurrence of any one or more of the following shall constitute an "Event of Default" for purposes of this Mortgage:

- (a) Mortgagor fails to pay on the date when due any installment of principal or interest or other monetary sum payable pursuant to the Note or the other Loan Documents;
- (b) Mortgagor fails promptly to perform or cause to be performed any other obligations or to observe any other condition, covenant, term, agreement, or provision required to be performed or observed by Mortgagor under this Mortgage; provided, however, that unless and until the continued operation or safety of the Premises, or the priority, validity, or enforceability of this Mortgage or the lien of any other security granted to Mortgagee, or the value of the Premises is immediately threatened or jeopardized, in which event Mortgagor shall promptly seek to cure such failure and diligently pursue same to completion. Mortgagor shall have a period not to exceed [thirty (30)] days after receipt of written notice of such failure to cure the same; and further provided that if the nature of the default is such that the same cannot reasonably be cured within said [thirty-day (30-day)] period, Mortgagor shall not be deemed to be in default, and Mortgagor shall have an additional [thirty (30)] days to cure such failure if Mortgagor shall within such initial [thirty-day (30-day)] period commence such cure and thereafter diligently prosecute the same to completion;
- (c) Mortgagor or Guarantor fails promptly to perform or cause to be performed any other obligation or to observe any other condition, covenant, term, agreement, or provision required to be performed or observed by Mortgagor or Guarantor under: (i) the Note; (ii) this Mortgage; (iii) the Assignment of Rents and Leases of even date herewith made by Mortgagor to Mortgagee; (iv) the Security Agreement of even date herewith made by Mortgagor to Mortgagee; (v) the Continuing Guarantee of even date herewith made by Scar LTD (Guarantor) to Mortgagee; (vi) the Environmental Indemnity Agreement of even date herewith made by Mortgagor and Guarantor to Mortgagee; and such other documents executed in connection with the Note (those documents, along with the documents described in clauses (i) through (vi) above, both inclusive, being hereinafter collectively referred to as the "Loan Documents"); provided, however, that unless and until the continued operation or safety of the Premises, or the priority, validity, or enforceability of this Mortgage or the lien hereof or the lien of any other security granted to Mortgagee or the value of the Premises is immediately threatened or jeopardized, in which event Mortgagor shall promptly seek to cure such failure and diligently pursue same to completion. Mortgagor shall have a period not to exceed [thirty (30)] days after written notice of such failure of performance or observance to cure the same; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within said [thirty-day (30-day)] period, Mortgagor shall not be deemed to be in default, and Mortgagor shall have an additional [thirty (30)] days to cure such failure if Mortgagor shall within such initial [thirty-day (30-day)] period commence such cure and thereafter diligently prosecute the same to completion;



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(d) Any material inaccuracy or untruth arises in any material representation when made, or in any covenant or warranty at any time made in this Mortgage or in any of the other Loan Documents;

(e) At any time, Mortgagor or Guarantor files a voluntary petition in bankruptcy, or is adjudicated a bankrupt or insolvent, or institutes (by petition, application, answer, consent, or otherwise) any bankruptcy, insolvency, reorganization, arrangement, composition, readjustment, dissolution, liquidation, or similar proceedings under any present or future federal, state, or other statute or law, or admits in writing his, her, or its inability to pay his, her, or its debts as they mature, or makes an assignment for the benefit of his, her, or its creditors, or seeks or consents to the appointment of any receiver, trustee, or similar officer for all or any substantial part of his, her, or its property;

(f) The commencement of any involuntary petition in bankruptcy against Mortgagor or Guarantor or the institution against Mortgagor or Guarantor of any reorganization, arrangement, composition, readjustment, dissolution, liquidation, or similar proceedings under any present or future federal, state, or other statute or law, or the appointment of a receiver, trustee, or similar officer for all or any substantial part of the property of Mortgagor or Guarantor that shall remain undischarged for a period of [sixty (60)] days;

(g) A violation of the provisions of Paragraph 26 hereof occurs; or

(h) The death, legal incompetency, or mental disability of Guarantor or the bankruptcy, dissolution, or liquidation of Mortgagor;

(i) Any of the following occur with respect to any other indebtedness owing to Mortgagee by Mortgagor or Guarantor: (i) any failure by any party to make any payment of any such indebtedness or any portion thereof on or before its due date; (ii) any breach, default, or failure by any party with respect to any obligation, covenant, or condition set forth in any document or instrument evidencing, securing, or relating to any such indebtedness; (iii) any representation or warranty made by any party under any such document or instrument or in any certificate, statement, report, evidence, or additional information furnished pursuant to same shall prove to be false, misleading, incomplete, or untrue in any material respect; or (iv) any acceleration of any such indebtedness or any portion thereof; or

(j) Mortgagor is in default under the Leases, or has sold or assigned all or any portion of its interest in the Premises, except with the consent of Mortgagee.

If an Event of Default occurs, Mortgagee may, at its option, declare the whole of the indebtedness hereby secured to be immediately due and payable without prior notice to Mortgagor, with interest thereon from the date of such Event of Default at the Default Rate. If, while any insurance proceeds or condemnation awards are being held by Mortgagee to reimburse Mortgagor for the cost of rebuilding or restoration of buildings or improvements on the Premises, as set forth in Paragraph 19 hereof, Mortgagee shall be or become entitled to, and shall accelerate the indebtedness secured hereby, then and in such event, Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by it in reduction of the indebtedness hereby secured, and any excess held by it over the amount of the indebtedness then due hereunder shall be returned to Mortgagor or any party entitled thereto without interest.

## 15. Application of Proceeds of Foreclosure Sale

The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the

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foreclosure proceedings, including all such items as are mentioned in Paragraph 14 hereof; second, on account of all other items that may under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided, and all principal and interest remaining unpaid on the Note; and third, any surplus to Mortgagor, its successors, or assigns, as their rights may appear.

## 17. Rights Cumulative

Each right, power, and remedy herein conferred on Mortgagee is cumulative and in addition to every other right, power, or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power, and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power, or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power, or remedy, and no delay or omission of Mortgagee in the exercise of any right, power, or remedy accruing hereunder or arising otherwise shall impair any such right, power, or remedy, or be construed to be a waiver of any default or acquiescence therein.

## 18. Mortgagee's Right of Inspection

Mortgagee and its agents upon reasonable prior notice (except in the event of an emergency) shall have the right to inspect the Premises at all reasonable times, and access thereto shall be permitted for that purpose.

## 19. Disbursement of Insurance or Condemnation Proceeds

In the event Mortgagee elects or is required to apply insurance or condemnation proceeds to restoration:

- (a) Before commencing to repair, restore, or rebuild following damage to, or destruction of, all or a portion of the Premises or of the improvements on the Premises, whether by fire or other casualty or by condemnation or a taking under the power of eminent domain, Mortgagor shall obtain from Mortgagee its approval of all site and building plans and specifications pertaining to such repair, restoration, or rebuilding.
- (b) Prior to the payment or application of insurance proceeds or a condemnation or eminent domain award to the repair or restoration of the Premises or of the improvements on the Premises as provided in Paragraphs 5 and 6 hereof, Mortgagee shall be entitled to evidence of the following:
  - (i) That Mortgagor is not then in default under any of the terms, covenants, or conditions of the Note or of the other Loan Documents;
  - (ii) That either such property has been fully restored, or that the expenditure of such money as may be received from such insurance proceeds or condemnation or eminent domain award will be sufficient to repair, restore, or rebuild the Premises or the improvements on the Premises, free and clear of all liens, except the lien of this Mortgage;
  - (iii) That in the event such insurance proceeds or condemnation or eminent domain award shall be insufficient to repair, restore, or rebuild such property, Mortgagor shall deposit with Mortgagee funds equaling such deficiency, which, together with the insurance proceeds or condemnation or eminent domain award, shall be sufficient to repair, restore, and rebuild such property; and

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(iv) That prior to the disbursement of any such proceeds or award held by Mortgagee in accordance with the terms of this Paragraph 19 for the cost of any repair, restoration or rebuilding, Mortgagee shall be furnished with a statement of Mortgagor's architect, certifying the extent of the repair, restoration, and rebuilding completed to the date thereof, and that such repair, restoration, and rebuilding have been performed to date in conformity with the plans and specifications approved by Mortgagee; and Mortgagee shall be furnished with appropriate evidence of payment for labor or materials furnished to the Premises, and total or partial lien waivers substantiating such payments.

(c) Prior to the payment or application of insurance proceeds or a condemnation or eminent domain award to the repair, restoration, or rebuilding of the Premises or of the improvements on the Premises as provided in Paragraphs 5 and 6 hereof, there shall have been delivered to Mortgagee the following:

(i) A waiver of subrogation from any insurer that claims that no liability exists as to Mortgagor or the then owner or other assured under the policy of insurance in question; and

(ii) Such performance and payment bonds, and such insurance, in such amounts, issued by such company or companies and in such forms and substance, as are required by Mortgagee.

(d) In the event Mortgagor shall fail to repair, restore, or rebuild the Premises or the improvements on the Premises within a reasonable time, then Mortgagee, at its option, and on not less than [thirty (30)] days' written notice to Mortgagor, may commence to repair, restore, or rebuild the Premises for or on behalf of Mortgagor, and for such purpose, may perform all necessary acts to accomplish such repair, restoration, or rebuilding. In the event that insurance proceeds or a condemnation or eminent domain award shall exceed the amount necessary to complete the repair, restoration, or

rebuilding of the Premises or of the improvements on the Premises, such excess shall be used by Mortgagor to upgrade the improvements on the Premises or shall be applied on account of the unpaid principal balance of the Note.

(e) In the event that Mortgagor commences the repair, restoration, or rebuilding of the Premises or of the improvements on the Premises, but fails to comply with the conditions precedent to the payment or application of insurance proceeds or a condemnation or eminent domain award set forth in this Paragraph 19, or in the event that Mortgagor shall fail to repair, restore, or rebuild the Premises or the improvements on the Premises within a reasonable time, and if Mortgagee does not repair, restore, or rebuild such property as provided in Paragraph 19(d) hereof, then Mortgagee may, at its option, accelerate the indebtedness evidenced by the Note and apply all or any part of the insurance proceeds or condemnation or eminent domain award against the indebtedness secured hereby.

## 20. Release upon Payment and Discharge of Mortgagor's Obligations

If all of the indebtedness secured hereby is paid and discharged as the same becomes due and payable, and all of the covenants, warranties, undertakings, and agreements made in this Mortgage are kept and performed, and all obligations, if any, of Mortgagee for further advances have been terminated, then, and in that event only, all rights under this Mortgage shall terminate (except to the extent expressly provided herein with respect to indemnifications, representations, and warranties and other rights that are to continue following the release hereof), and the Premises shall become wholly clear of the liens, security interests, conveyances, and assignments evidenced hereby, and such liens and security interests shall be released by Mortgagee in due form at Mortgagor's cost and

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expense. Without limitation, all provisions herein for indemnity of Mortgagee shall survive discharge of the indebtedness secured hereby and any foreclosure, release, or termination of this Mortgage.

## 21. Notices

All notices permitted or required pursuant to this Mortgage shall be in writing and shall be deemed to have been properly given (a) upon delivery, if served in person or sent by facsimile with receipt acknowledged; (b) on the [third (3rd)] business day following the day such notice is deposited in any post office station or letter box if mailed by certified mail, return receipt requested, postage prepaid; or (c) on the [first (1st)] business day following the day such notice is delivered to the carrier if sent via a nationally recognized overnight delivery service (e.g., Federal Express) and addressed to the party to whom such notice is intended as designated in writing.

Either party may designate a different address for notice purposes by giving notice thereof in accordance with this Paragraph 21; provided, however, that such notice shall not be deemed given until actually received by the addressee.

## 22. Waiver of Defenses

No action for the enforcement of the lien or of any provision hereof shall be subject to any defense that would not be good and available to the party interposing the same in an action at law upon the Note hereby secured.

## 23. Waiver of Rights

To the extent permitted by law, Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension, or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of all such laws. To the extent permitted by law, Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Premises marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety.

## 24. Expenses Relating to Note and Mortgage

Mortgagor will pay all expenses, charges, costs, and fees relating to the loan evidenced by the Note and secured by this Mortgage or necessitated by the terms of the Note, this Mortgage, or any of the other Loan Documents, including, without limitation, Mortgagor's attorneys' fees in connection with the negotiation, documentation, administration, servicing, and enforcement of the Note, this Mortgage, and the other Loan Documents; all filing, registration, and recording fees; all other expenses incident to the execution and acknowledgment of this Mortgage; and all federal, state, county, and municipal taxes, and other taxes (provided Mortgagor shall not be required to pay any income or franchise taxes of Mortgagee), duties, imposts, assessments, and charges arising out of or in connection with the execution and delivery of the Note or this Mortgage. All expenses, charges, costs, and fees described in the preceding sentence shall be so much additional indebtedness secured hereby, shall bear interest from the date so incurred until paid at the Default Rate, and shall be paid, together with such interest, by Mortgagor forthwith upon demand.

## 25. Business Purpose

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Mortgagor covenants that the proceeds of the loan evidenced by the Note and secured by this Mortgage will be used for the purposes specified in Section 4(1)(c) of Act 205 of Chapter 815 of the Illinois Compiled Statutes, as amended, and that the principal obligation secured hereby constitutes a business loan that comes within the purview of such Section.

## 26. Transfer of Premises; Further Encumbrance

In determining whether to make the loan secured hereby, Mortgagee examined the creditworthiness of Mortgagor, found it acceptable, and relied and continues to rely on the same as the means of repayment of the Note. Mortgagee also evaluated the background and experience of Mortgagor in operating property such as the Premises, found it acceptable, and relied and continues to rely on the same as the means of maintaining the value of the Premises, which is Mortgagee's security for the Note. Mortgagor is well experienced in borrowing money and operating property such as the Premises, was ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby, or had the opportunity to be so represented, and bargained at arm's length and without duress of any kind for all of the terms and conditions of the loan, including this provision. Mortgagor recognizes that Mortgagee is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan. Mortgagor further recognizes that any secondary or junior financing placed on the Premises (a) may divert funds that would otherwise be used to pay the Note secured hereby; (b) could result in acceleration and foreclosure by any such junior encumbrances, which would force Mortgagee to take measures and incur expenses to protect its security; (c) would detract from the value of the premises should Mortgagee come into possession thereof with the intention of selling the same; and (d) would impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Premises.

In accordance with the foregoing and for the purposes of (a) protecting Mortgagee's security, both of repayment by Mortgagor and of the value of the Premises; (b) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (c) allowing Mortgagee to raise the interest rate and/or collect assumption fees; and (d) keeping the Premises free of subordinate financing liens, Mortgagor agrees that if this Paragraph 26 be deemed a restraint on alienation, that it is a reasonable one, and that any sale, conveyance, assignment, further encumbrance, or other transfer of Mortgagor's interest in the Premises

(whether voluntary or by operation of law), including, without limitation, the entering into of an assignment of lease for the Premises or any portion thereof, the placement or granting of liens on all or any part of the Premises, or the placement or granting of chattel mortgages, conditional sales contracts, financing statements, or security agreements that would be or create a lien on the personal property utilized in the operation of the Premises, or the placement or granting of a mortgage commonly known as a "wraparound" mortgage or an improvement loan, without Mortgagee's prior written consent, shall be an Event of Default hereunder. For the purpose of, and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events shall be deemed to be an unpermitted transfer of Mortgagor's interest in the Premises and therefore an Event of Default hereunder: any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, all or any part of the Mortgagor's interest in the Premises, or any controlling interest in Mortgagor without Mortgagee's consent. Any waiver by Mortgagee of an Event of Default under this Paragraph 26 shall not constitute a consent to, or a waiver of, any right, remedy, or power of Mortgagee upon a subsequent Event of Default under this Paragraph 26. Mortgagor acknowledges that any agreements, liens, transfers, or encumbrances created or entered into in violation of the provisions of this Paragraph 26 shall be void and of no force or effect.

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## 27. Financial Statements

Mortgagor shall cause to be delivered annually to Mortgagee as soon as available, and in any event within [ninety (90)] days after the close of the fiscal year of Mortgagor and, with respect to Guarantor, within [ninety (90)] days after the close of each calendar year, annual reviewed financial statements of Mortgagor, Guarantor, and the Premises as of the end of such fiscal or calendar year, as applicable, in conformity with generally accepted accounting principles consistently applied, all in reasonable detail and stating in comparative form the figures as of the end of and for such fiscal or calendar year, as applicable, and the figures as of the end of and for the prior fiscal or calendar years, as applicable, prepared by an independent certified public accountant reasonably satisfactory to Mortgagee.

## 28. Statement of Indebtedness

Mortgagor, within [ten (10)] days after being so requested by Mortgagee, shall furnish a duly acknowledged written statement setting forth the amount of the debt secured by this Mortgage and the date to which interest has been paid, and stating either that no offsets or defenses exist against the mortgage debt or, if such offsets or defenses are alleged to exist, the nature thereof.

## 29. Further Instruments

Upon request of Mortgagee, Mortgagor will execute, acknowledge, and deliver all such additional instruments and further assurances of title, and will do or cause to be done all such other further acts and things as may be necessary fully to effectuate the intent of this Mortgage.

## 30. Miscellaneous

### (a) Successors and Assigns

This Mortgage and all provisions hereof shall extend to and be binding on Mortgagor and its successors, grantees, and assigns, any subsequent owner or owners of the Premises who acquire the Premises subject to this Mortgage, and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of Mortgagee named herein, and the holder or holders, from time to time, of the Note secured hereby.

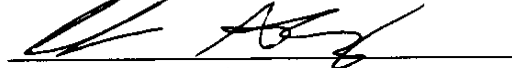
### (b) Invalidity of Provisions

In the event one or more of the provisions contained in this Mortgage or in the Note secured hereby or in any security documents given to secure the payment of the Note secured hereby shall for any reason be held to be invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality, or unenforceability shall, at the option of Mortgagee, not affect any other provision of this Mortgage, and this Mortgage shall be construed as if such invalid, illegal, or unenforceable provision were not contained herein or therein. This Mortgage and the Note it secures shall be governed by and construed in accordance with the laws of the State of Illinois.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument.

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Scar Ltd. An Illinois Corporation, by



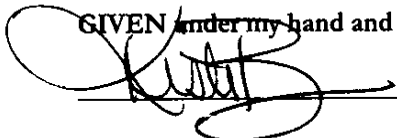
Chris Alvarez, PResident

IN WITNESS WHEREOF, the undersigned has executed this Mortgage as of the date first written above.

STATE OF Illinois ) ) COUNTY OF Cook)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Chris Alvarez, the President of Scar Ltd, an Illinois corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 30th day of July, 2013.



My Commission expires: \_\_\_\_\_

NOTARY PUBLIC



### LEGAL DESCRIPTION

LOT 18 AND THE EAST 8.4 FEET OF LOT 19 IN BLOCK 1 IN HELEN CULVER'S DOUGLAS PARK SUBDIVISION OF BLOCKS 25, 26 AND 27 IN G. W. CLARKE'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index Number (PIN): 16-13-331-038-0000  
Address(es) of Real Estate: 2800 W. ROOSEVELT RD. CHICAGO, IL 60612

This instrument prepared by and after recording mail to:

Prashant R. Vallury  
EV Has LLC  
218 N. Jefferson St. Suite 103  
Chicago, IL 60661