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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption

Report Mortgage Fraud
800-532-8785



Doc#: 1331056069 Fee: \$100.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 11/06/2013 01:07 PM Pg: 1 of 32

The property identified as: **PIN: 15-21-404-038-0000**

Address:

Street: 1815 Gardner Road

Street line 2:

City: Broadview

State: IL

ZIP Code: 60155

Lender: MB Financial Bank N.A.

Borrower: Chase Products Co.

Loan / Mortgage Amount: \$1,400,000.00

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: 3CAC9598-9167-44FE-99B8-84F24EC9F5BD

Execution date: 11/05/2013

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This Instrument Prepared by and
When Recorded Return To:

Name: Barry C. Kessler & Associates
Address: 1775 Milwaukee Avenue
Suite 300
City: Glenview
State & Zip: Illinois 60025

Space Above This Line For Recorder's Use

**MORTGAGE AND SECURITY AGREEMENT
WITH ASSIGNMENT OF RENTS AND LEASES**

THIS MORTGAGE AND SECURITY AGREEMENT, WITH ASSIGNMENT OF RENTS AND LEASES (this "Mortgage"), in the maximum principal amount of \$12,000,000, is made as of November 5, 2013 between Chicago Title Land Trust Company, an Illinois Corporation, ("Chicago Title") as Successor Trustee to Banco Popular, as successor trustee to American Midwest Bank and Trust, as successor trustee under Trust Agreement dated November 12, 1965 and known as Trust Number 297 (Chicago Title being referred to as "Mortgagor"), and MB Financial Bank, N.A. with mailing address 6111 North River Road, Rosemont, Illinois 60018 (hereinafter referred to as "Mortgagee").

WHEREAS, the Land Trust holds legal title to certain real property legally described on Exhibit A attached hereto and incorporated herein by reference (the "Property"), which Property is leased to Chase Products Co., an Illinois Corporation for use in its manufacturing operations; and

WHEREAS, the sole beneficiary of the Land Trust, Rosar Building Corporation is an affiliated entity with Chase Products Co. and derives a substantial economic benefit from leasing the Property to Chase Products Co. and is therefore desirous of facilitating Chase Product Co.'s ability

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to carry on its business by allowing the Property to serve as collateral for credit facilities to be extended by Mortgagee; and

WHEREAS, a condition to Mortgagee extending Credit Facility One, a revolving loan in the maximum amount of \$6,000,000, and Credit Facility Two, a term loan in the amount of \$1,400,000, is that the respective loans be either cross collateralized or secured by this Mortgage lien on the Property, pursuant to the terms hereof.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor hereby agrees as follows:

ARTICLE I DEFINITIONS

1.01 Definitions of Terms. As used in this Mortgage:

“Beneficiary” shall refer to Rosar Building Corporation, the sole beneficiary of the Land Trust.

“Borrower” shall collectively refer to Chase Products Co. and Rosar Building Corporation.

“Commitment Letter” shall refer to such letter, if any, issued from Mortgagee to Borrower dated August 8, 2013.

“Credit Agreement” shall mean that Credit Agreement entered into between Borrower and Mortgagee dated November 5, 2013.

“Event of Default” shall have the meaning as assigned to such term in Article VI hereof.

“Insured Casualty” shall mean any insured damage to or destruction of the Improvements or any part thereof.

“Land Trust” or “Land Trust Agreement” shall refer to that land trust agreement dated November 12, 1965 and known as Trust Number 297 pursuant to which Chicago Title Land Trust Company, an Illinois Corporation, is currently serving as successor trustee.

“Lender” shall refer to MB Financial Bank, N.A. pursuant to the credit facilities extended to Borrower in the Credit Agreement.

“Loan Documents” shall include but not be limited to this Mortgage, the Credit Agreement, the Notes, the Environmental Indemnify Agreement, the Commitment Letter and all other documents and instruments executed by and between Borrower and Mortgagee surrounding the extension of any credit facility by Mortgagee to Borrower.

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“Maximum Amount Secured” shall mean the maximum amount secured by the lien of this Mortgage or \$12,000,000.

“Notes” shall generally refer to all promissory notes executed by Borrower in favor of Lender pursuant to the Credit Agreement.

“Obligations”, for purposes of this Mortgage, shall include all Obligations as delineated in the Credit Agreement and all other Loan Documents including but not limited to payment of all Obligations of the Borrower to Mortgagee arising under the following instrument(s) or agreement(s):

(i) The Revolving Note, dated as of November 5, 2013, payable by Borrower as maker in the stated principal amount of Six Million Dollars (\$6,000,000.00) to the order of Mortgagee pursuant to Credit Facility One (referred to as the “Revolving Loan”).

(ii) The Term Note dated as of November 5, 2013, payable by Borrower as maker in the stated principal amount of One Million Four Hundred Thousand Dollars (\$1,400,000.00) to the order of Mortgagee pursuant to Credit Facility Two (referred to as “Term Loan”).

(iii) That certain Credit Agreement, dated November 5, 2013 between Borrower and Mortgagee which provides for extensions of credit as heretofore represented by the Notes (the “Loans”).

“Permitted Liens” shall refer to those exceptions to title to the Real Property set forth on Exhibit B attached hereto and made a part hereof to which Mortgagee has agreed to take subject.

“Property” shall mean the Real Property together with all Improvements thereto and other property described in Article II hereof.

“Real Property” shall mean the land described in Section 2.01, together with any and all easements, rights-of-way, licenses, hereditaments, rights and privileges and appurtenances thereto, together with any and all other land which may at any time hereafter be conveyed by Mortgagor to Mortgagee as security for the Obligations of the Borrower to the Mortgagee.

“UCC” shall mean the Uniform Commercial Code as adopted by, and as in effect in, the State of Illinois, as the same may be amended from time to time.

ARTICLE II GRANTING CLAUSE

To secure the performance of all covenants and agreements contained in the Credit Agreement and the payment of all of the Obligations together with all fees, charges, interest and other amounts that may come due under the Credit Agreement and the Loan Documents, Mortgagor

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by these presents does hereby convey, mortgage, warrant, assign, transfer, pledge and deliver to Mortgagee, its successors and assigns, the following described property subject to the terms and conditions herein:

2.01 Real Property. The Real Property legally described on Exhibit A attached hereto and incorporated herein by reference.

2.02 Highways and Thoroughfares. All right, title and interest of Mortgagor, if any, now or at any time hereafter existing, in and to all highways, roads, streets, alleys and other public thoroughfares, bordering on or adjacent to the Real Property, together with all right, title and interest of Mortgagor to the land making up such highways, roads, streets, alleys and other public thoroughfares and all heretofore or hereafter vacated highways, roads, streets, alleys and public thoroughfares adjoining or within the Real Property or any part thereof.

2.03 Improvements. All buildings, structures, improvements, plants, works and fixtures (the "Improvements") now or at any time hereafter located on any portion of the Real Property and, without any further act, all extensions, additions, betterments, substitutions and replacements thereof.

2.04 Fixtures, Equipment. All right, title and interest of Mortgagor and Borrower in and to all fixtures, furniture, furnishings, equipment, machinery, appliances, apparatus and other property of every kind and description now or at any time hereafter installed or located on or used or usable in connection with the Real Property or the buildings and improvements situated thereon, whether such right, title or interest in such items of property is now owned or hereafter acquired by Mortgagor, including, but not limited to, all lighting, heating, cooling, ventilating, air conditioning, humidifying, dehumidifying, plumbing, sprinkling, incinerating, refrigerating, air-cooling, lifting, fire extinguishing, cleaning, communicating and electrical systems and the machinery, appliances, fixtures and equipment pertaining thereto, all switchboards, engines, motors, tanks, pumps, floor coverings, partitions, conduits, ducts, compressors, elevators and escalators, boilers, incinerators and the machinery, appliances, fixtures and equipment pertaining thereto, all of which fixtures, furnishings, furniture, equipment, machinery and other property shall be deemed to be part of the Real Property. It is the intention hereof that all property of the kind and character described in this Section 2.04 which Mortgagor and Borrower now own, and all of such property which it may hereafter acquire, shall be subject to the lien and security interest of this Mortgage with like effect as if now owned by Mortgagor and as if covered and conveyed hereby by specific and apt descriptions.

2.05 Intangible Rights, Rents. All rights, privileges, permits, licenses, easements, consents, tenements, hereditaments and appurtenances now or at any time hereafter belonging to or in any wise appertaining to the Real Property or to any property now or at any time hereafter comprising a part of the property subject to this Mortgage; and all right, title and interest of Mortgagor, whether now or at any time hereafter existing, in all reversions and remainders to the Real Property and such other property, and all rents, income, issues, profits, royalties and revenues derived from or belonging to such Real Property and other property subject to this Mortgage or any part thereof.

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2.06 Proceeds. Any and all proceeds of the conversion, whether voluntary or involuntary, of all or any part of the Real Property and other property and interests subject to this Mortgage into cash or liquidated claims, including, without limitation by reason of specification, proceeds of insurance and condemnation awards and any and all other property of every name and nature from time to time by delivery or writing of any kind conveyed, mortgaged, pledged, assigned or transferred for additional security for this Mortgage.

2.07 Future Indebtedness. This Mortgage is given to secure credit facilities and secures not only present indebtedness, but also future advances, whether such future advances are obligatory or are to be made at the option of Mortgagee, or otherwise as are to be made within twenty (20) years from the date hereof. Nothing herein shall be construed as meaning that such indebtedness has a term of twenty (20) years. The amount of indebtedness secured hereby may increase or decrease from time to time as provided herein or in the Credit Agreement or any of the other Loan Documents.

TO HAVE AND TO HOLD the Property unto Mortgagee, its successors and assigns, forever; provided that if Mortgagor or Borrower pay all Obligations required to be paid to Mortgagee under the Credit Agreement according to its terms and make all other required payments and perform all other terms, conditions, covenants and agreements contained in the Credit Agreement, then at that time this Mortgage shall be released and cease and be void. If any improvements or property become a part of the Property after the date hereof by location or installation on the Real Property or in the building or buildings now or in the future situated thereon or otherwise, then this Mortgage shall immediately attach to and constitute a lien or security interest against such additional items without further act or deed of Mortgagor.

ARTICLE III CONDITION OF TITLE

Mortgagor represents and warrants to and covenants with Mortgagee, its successors and assigns that: (a) it is the owner of a fee simple interest in the Property, subject only to the Permitted Liens, if any; (b) this Mortgage is and shall remain a valid and enforceable lien on the Property to secure the performance of each and every Obligation of Mortgagor and Borrower set forth in the Credit Agreement and Loan Documents, subject only to the Permitted Liens; and (c) it will forever warrant and defend to Mortgagee, its successors and assigns, the Property against all claims and demands whatsoever not specifically excepted in this Mortgage.

ARTICLE IV COVENANTS OF MORTGAGOR

So long as any Obligation remains unpaid and in effect, Mortgagor, and Borrower to the extent that either the Land Trust Agreement or the Credit Agreement vests responsibility for performance of said covenant in Borrower, shall abide by and affirmatively comply with each of the following covenants:

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4.01 Payment and Performance of Obligations. The Obligations hereby secured will be promptly paid as and when the same become due and the covenants and agreements in the Loan Documents shall be timely complied with and carried out.

4.02 Insurance; Damage or Destruction.

(a) Mortgagor shall provide and maintain or cause to be maintained at all times the following insurance coverages, which shall be primary and noncontributing with any insurance in force or on behalf of Mortgagee, evidence of which shall be submitted to Mortgagee by Mortgagor, which coverages shall remain in effect until repayment in full of the Obligations:

(i) Hazard insurance covering fire, extended coverage, sprinkler leakage, vandalism and malicious mischief, in an amount equal to the full replacement value, without consideration for depreciation, with such special coverages as Mortgagee may require;

(ii) In the event the Property has a boiler, boiler explosion insurance in an amount satisfactory to Mortgagee;

(iii) Comprehensive general public liability insurance acceptable to Mortgagee insuring Mortgagor and naming Mortgagee as additional insured as its interest may appear, with bodily injury and death limits of not less than One Million Dollars (\$1,000,000) for any one occurrence, One Million Dollars (\$1,000,000) for each person, and One Million Dollars (\$1,000,000) for property damage with umbrella coverage for an additional One Million Dollars (\$1,000,000);

(iv) Flood insurance, if the Property is located in an identified flood hazard area; and

(v) Such other insurance as may be required by the terms of any lease on the Property, any Loan Document, or as Mortgagee may reasonably require from time to time.

No such policy shall be cancelable or subject to reduction of coverage or modification except after thirty (30) days prior written notice to Mortgagee. All insurers providing such policies shall have a Best's policyholder rating of at least B and a financial size rating of at least Class X. Not later than fifteen (15) business days after the expiration of Mortgagor's policies, Mortgagor shall furnish Mortgagee with renewals or "binders" therefor or Mortgagee may order such insurance and charge Mortgagor for the cost thereof in accordance with Section 4.12 hereof.

(b) Mortgagor shall give Mortgagee prompt notice of any damage or destruction of the Property. All proceeds of insurance under such policies (except liability insurance

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and except in the case of any particular casualty resulting in a loss payment not exceeding Seventy Five Thousand (\$75,000) Dollars in the aggregate) shall be paid to Mortgagee, and all such policies shall provide that the proceeds of such insurance (except in the case of any particular casualty resulting in loss payment not exceeding Seventy Five Thousand (\$75,000) Dollars in the aggregate) shall be paid to Mortgagee as its interest may appear, by means of a standard mortgagee clause. In case of loss exceeding Seventy Five Thousand (\$75,000) Dollars, Mortgagee (or after entry of judgment of foreclosure, the purchaser at the sale) is hereby authorized, to either (i) settle or adjust any claim under such insurance policies without the consent of Mortgagor or (ii) allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss.

(c) In the event of an Insured Casualty, and:

(i) If, in the reasonable judgment of Mortgagee, the Property can be restored to an economic unit not less valuable than the same was prior to the Insured Casualty, and adequately securing the outstanding balance of the Obligations hereby secured, then, if no Event of Default as hereinafter defined shall have occurred and Mortgagor shall not be in default hereunder, the proceeds of insurance shall be applied to reimburse Mortgagor for the cost of restoring, repairing, replacing or rebuilding the Property or part thereof subject to the Insured Casualty, as provided for in Section 4.02(d) hereof, and Mortgagor hereby covenants and agrees, not later than ninety (90) days after the date of the Insured Casualty, to commence and to diligently prosecute such restoring, repairing, replacing or rebuilding; provided, always, that Mortgagor shall pay all costs of such restoring, repairing, replacing or rebuilding in excess of the proceeds of insurance.

(ii) Except as provided in Section 4.02(c)(i), Mortgagee may apply the proceeds of insurance consequent upon any Insured Casualty upon the Obligations hereby secured, in such order or manner as Mortgagee may elect.

(iii) In the event that proceeds of insurance, if any, shall be made available to Mortgagor for the restoring, repairing, replacing or rebuilding of the Property, Mortgagor hereby covenants to restore, repair, replace or rebuild the same to be of at least equal value, and in the same character and of the same quality as prior to such damage or destruction; all to be effected in accordance with plans and specifications to be first submitted to and approved by Mortgagee.

(d) In the event Mortgagor is entitled to reimbursement out of insurance proceeds held by Mortgagee, such proceeds shall be disbursed from time to time upon Mortgagee being furnished with satisfactory evidence (i) of the estimated cost of completion of the restoration, repair, replacement and rebuilding; (ii) that funds of Mortgagor (or assurances satisfactory to Mortgagee that such funds are available) when combined with the proceeds of insurance, are sufficient to complete the proposed restoration, repair, replacement and rebuilding; and (iii) with such architect's certificates, waivers of lien, contractor's sworn statements and such other evidences of cost and of payment as

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Mortgagee may reasonably require and approve. Mortgagee may, in any event, require that all plans and specifications for such restoration, repair, replacement and rebuilding be submitted to and approved by Mortgagee prior to the commencement of work. No payment made prior to the final completion of the restoration, repair, replacement or rebuilding shall exceed ninety percent (90%) of the value of the work performed from time to time; no funds other than proceeds of insurance shall be disbursed prior to disbursement of such proceeds; and at all times the undisbursed balance of such proceeds remaining in the hands of Mortgagee, together with funds deposited for the purpose of completing the restoration, repair, replacement or rebuilding are irrevocably committed to the satisfaction of Mortgagee by or on behalf of Mortgagor for the purpose, shall be at least sufficient in the reasonable judgment of Mortgagee to pay for the cost of completion of the restoration, repair, replacement or rebuilding, free and clear of all liens or claims for lien. Interest shall be allowed to Mortgagor on account of any proceeds of insurance or other funds held by Mortgagee at the same rate being paid on Mortgagee's money market accounts and shall be available for such restoration, repair, replacement or rebuilding. Notwithstanding anything contained herein to the contrary, Mortgagee may, in its sole discretion, require that the administration of the restoration, repair, replacement and rebuilding, and the distribution of insurance proceeds be done pursuant to and in accordance with this Mortgage.

(e) All policies of insurance provided for in subsection (a) of this Section 4.02 shall be effective under a valid and enforceable policy or policies issued by an insurer of recognized responsibility licensed to do business in the State of Illinois, and shall be written in the names of Mortgagor and Mortgagee as their respective interests may appear. These policies shall provide that the proceeds of such insurance shall be payable to Mortgagee pursuant to a standard mortgagee clause to be attached to each such policy. Mortgagor shall deposit with Mortgagee policies evidencing all such insurance or a certificate or certificates of the respective insurers stating that such insurance is in force and effect.

4.03 Preservation and Maintenance of Property. Mortgagor (a) shall not commit waste or permit impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall, subject to the provisions of Paragraph 4.02(c), restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition ordinary wear and tear excepted, or such other condition as Mortgagee may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances thereon in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply with all material laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (f) shall generally operate and maintain the Property in a manner to ensure that the rentability and marketability of the property is kept intact, and (g) shall give notice in writing to Mortgagee of and, unless otherwise directed in writing by Mortgagee, appear in and defend any action or proceeding purporting to affect the Property, the security of this Mortgage or the rights or powers of Mortgagee. Neither Mortgagor nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the

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Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

4.04 Condemnation Proceeds. Mortgagor shall give Mortgagee prompt notice of any pending or threatened eminent domain proceeding of any part or all of the Property, including any damages to grade, and Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any award or claim for damages for any of the Property taken or damaged under the power of eminent domain. Mortgagee may elect to apply (or hold for application when due) the proceeds of the award upon or in reduction of the Obligations hereby secured then most remotely to be paid, whether due or not, or to require Mortgagor to restore or rebuild the Property in which event the proceeds shall be held by Mortgagee and used to reimburse Mortgagor for the cost of such rebuilding and restoring. If Mortgagor is required or permitted to rebuild or restore the Property as aforesaid, such rebuilding or restoration shall be effected solely in accordance with plans and specifications previously submitted to and approved by Mortgagee, and proceeds of the award shall be paid out in the same manner as is provided in Section 4.02 for the payment of insurance proceeds towards the costs of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of rebuilding or restoration and if Mortgagee and Mortgagor determine to rebuild or restore the Property, Mortgagor shall pay such costs in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of the award after payment of such costs of rebuilding or restoration shall, at the option of Mortgagee, be applied (or held for application when due) on account of the Obligations hereby secured, then most remotely to be paid or be paid to any other party entitled thereto. Notwithstanding any taking by eminent domain, Mortgagor shall continue to pay interest on the entire principal sum secured until any such award or payment shall have been actually received by Mortgagee and any reduction in the principal sum resulting from the application by Mortgagee of such award or payment as hereinafter set forth shall be deemed to take effect only on the date of such receipt. If prior to the receipt by Mortgagee of such award or payment, the Property shall have been sold on foreclosure of this Mortgage, Mortgagee shall have the right to receive such award or payment to the extent of any deficiency found to be due upon such sale, with interest thereon at the highest rate provided for under any credit facility in the Credit Agreement whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, and of the reasonable attorneys' fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award or payment. No prepayment penalty shall be charged on amounts received by Mortgagee pursuant to an award under the power of eminent domain.

4.05 Expenses of Litigation. If any action or proceeding be commenced, to which action or proceeding Mortgagee is or becomes a party or in which it becomes necessary to defend or uphold the lien of this Mortgage, all sums paid by Mortgagee for the expenses of any litigation, mediation, arbitration, bankruptcy, administrative proceedings, and appeals therefrom (including reasonable attorneys' and paralegals' fees) to prosecute or defend the rights and lien created by this Mortgage or Lender's rights emanating from the Credit Agreement shall, on notice and demand, be paid by Mortgagor, together with the interest thereon at the highest rate provided for in any credit facility in the Credit Agreement and shall be a lien on the Property, prior to any right or title to, interest in or claim upon the Property subordinate to the lien of this Mortgage, and shall be deemed to be secured by this Mortgage.

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4.06 Compliance with Laws. Mortgagor covenants and represents that the Property complies with all material covenants and restrictions affecting the Property, with all applicable building and zoning laws, and Mortgagor shall at all times so own and use the same and take all steps necessary to assure such compliance at all times. Mortgagor shall not initiate or acquiesce in any zoning reclassification, or seek any conditional use permit, without Mortgagee's written consent.

4.07. No Further Encumbrances. Mortgagor will keep the Property free from all liens and encumbrances, whether inferior or superior to the lien of this Mortgage, except for the Permitted Liens. Any person, firm or corporation taking a mortgage, lien or other encumbrance against the Property (except for those that are Permitted Liens) shall take the said lien subject to the rights of Mortgagee herein and the right of Mortgagee to amend, modify and supplement this Mortgage and the Loan Documents, and to extend the maturity of the Obligations hereby secured, in each and every case without obtaining the consent of the holder of any such liens and without the lien of this Mortgage losing its priority over the rights of any such liens.

4.08 Transfers. Mortgagor may not transfer all or any part of its interest in the Property without the prior approval of Mortgagee.

4.09 Leases. Mortgagor shall comply with and observe Mortgagor's obligations under all leases of the Property or any part thereof. Neither Mortgagor nor Borrower shall lease any portion of the Property without securing the prior written approval of Mortgagee. Mortgagor, at Mortgagee's request and expense, shall furnish Mortgagee with copies of all executed leases now existing or hereafter made of all or any part of the Property.

4.10 Uniform Commercial Code Security Agreement

(a) Mortgagor (as debtor) hereby grants to Mortgagee (as creditor and secured party) a security interest under the UCC in all fixtures, machinery, appliances, equipment, furniture and personal property of every nature whatsoever constituting part of the Property. Mortgagor shall execute any and all documents, including without limitation financing statements pursuant to the UCC, as Mortgagee may request to preserve, maintain and perfect the priority of the first lien and security interest created hereby on property which may be deemed personal property or fixtures, and shall pay to Mortgagee on demand any expenses incurred by Mortgagee in connection with the preparation, execution and filing of any such documents. Mortgagor hereby authorizes and empowers Mortgagee and irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor to execute and file, on Mortgagor's behalf, all financing statements and refilings and continuations thereof as Mortgagee deems necessary or advisable to create, preserve and protect such lien. When and if Mortgagor and Mortgagee shall respectively become the debtor and secured party in any UCC financing statement affecting the Property (or Mortgagee takes possession of personal property delivered by Mortgagor where possession is the means of perfection of the security interest), then, at Mortgagee's sole election, this Mortgage shall be deemed a security agreement as defined in such UCC, and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law, or, as

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to such part of the security which is also reflected in such financing statement, by the specific statutory consequences now or hereafter enacted and specified in the UCC.

(b) Without limitation of the foregoing, if an Event of Default occurs, Mortgagee shall be entitled immediately to exercise all remedies available to it under the UCC and this Section 4.10. Mortgagor shall, in such event and if Mortgagee so requests, assemble the tangible personal property at Mortgagor's expense, at a convenient place designated by Mortgagee. Mortgagee may publicly or privately sell or otherwise dispose of such fixtures, machinery, appliances, equipment, furniture and personal property upon such terms and in such manner as Mortgagee may require. Mortgagor shall pay all expenses incurred by Mortgagee in the collection of such Obligations, including reasonable attorneys' fees and legal expenses, and in the repair of any real estate or other property to which any of the tangible personal property may be affixed. If any notification of intended disposition of any of the personal property is required by law, such notification shall be deemed reasonable and proper if given at least ten (10) days before such disposition. Any proceeds of the disposition of any of the personal property may be applied by Mortgagee to the payment of the reasonable expenses of retaking, holding, preparing for sale and selling the personal property, including reasonable attorneys' fees, and any balance of such proceeds may be applied by Mortgagee toward the payment of such Obligations, and in such order of application, as Mortgagee may from time to time elect. If an Event of Default occurs, Mortgagee shall have the right to exercise and shall automatically succeed to all rights of Mortgagor with respect to intangible personal property subject to the security interest granted herein. Any party to any contract subject to the security interest granted herein shall be entitled to rely on the rights of Mortgagee without the necessity of any further notice or action by Mortgagor. Mortgagee shall not by reason of this Mortgage or the exercise of any right granted hereby be obligated to perform any obligation of Mortgagor with respect to any portion of the personal property nor shall Mortgagee be responsible for any act committed by Mortgagor, or any breach or failure to perform by Mortgagor with respect to any portion of the personal property.

(c) Mortgagor and Mortgagee agree that the filing of a financing statement in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing the express declaration and intention of the parties hereto, hereinabove stated, that everything used in connection with the production of income from the Property and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings, legal or equitable, shall be regarded as part of the real estate encumbered by this Mortgage irrespective of whether (i) any such item is physically attached to the Real Property or Improvements, (ii) serial numbers are used for better identification of certain equipment items capable of being thus identified in a recital contained herein or in any lists filed with Mortgagee, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) Mortgagor's interest as lessor in the Property, whether pursuant to lease or otherwise, shall never be construed as in any way altering any of the rights of Mortgagee as determined by this instrument or adversely affecting the priority of Mortgagee's lien granted hereby or by any other recorded document. Any such mention in any such financing statement is declared to be for the protection of Mortgagee in the event any court or judge

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shall at any time hold with respect to clauses (1), (2) or (3) above, that notice of Mortgagee's priority of interest, to be effective against a particular class of persons, including, but not limited to, the federal government and any subdivisions or entity of the federal government, must be filed in the UCC records.

4.11 Use of Property. Unless required by applicable law or unless Mortgagee otherwise agrees in writing, which consent shall not be unreasonably withheld, Mortgagor shall not allow material changes in the use for which all or any part of the Property was intended at the time this Mortgage was executed.

4.12 Protection of Mortgagee's Security. If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Mortgagee therein, including, but not limited to, eminent domain, insolvency, code enforcement or arrangements or proceedings involving a bankrupt or decedent, then Mortgagee, at its option, may upon ten (10) days' notice to Mortgagor (except where such notice would be extremely impractical) make such appearances, disburse such sums and take such action as Mortgagee deems necessary, in its sole discretion, to protect Mortgagee's interest, including, but not limited to: (i) disbursement of reasonable attorneys' fees; (ii) entry upon the Property to make repairs; or (iii) procurement of satisfactory insurance as provided in Section 4.02 hereof. Any amounts disbursed by Mortgagee pursuant to this Section 4.12, with interest thereon, shall become additional Obligations of Mortgagor secured by this Mortgage. Unless Mortgagor and Mortgagee agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the highest rate stated in the Credit Agreement unless such rate of interest exceeds applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Mortgagor under applicable law. Mortgagor hereby covenants and agrees that Mortgagee shall be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the Obligations secured hereby. Nothing contained in this Section 4.12 shall require Mortgagee to incur any expense or take any action hereunder.

4.13 Inspection. Mortgagor shall permit Mortgagee, and its duly authorized agents, experts, engineers and representatives, upon at least 24 hours' prior notice, to make or cause to be made entries upon and inspections of the Property during normal business hours at all times during the term hereof. Mortgagor shall assist Mortgagee in conducting all inspections and shall make access available to Mortgagee to all tenant areas.

4.14 Books and Records. Mortgagor shall keep and maintain at all times at Mortgagor's address stated below or upon ten (10) days' prior notice to Mortgagee, at such other place as designated by Mortgagor, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Mortgagee, and Mortgagee may copy the same at Mortgagee's expense, provided that Mortgagee may use and/or release such information only in connection with the administration or enforcement of this mortgage or the other Loan Documents. Mortgagor shall provide Mortgagee with its financial

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statements from time to time as Mortgagee may request, and at Mortgagor's expense, a rent schedule for the Property, certified by Mortgagor, showing the name of each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid and the amount and location of any security deposit.

4.15 Payment of Taxes and Assessments. Mortgagor shall pay before the same become delinquent, all real and personal property taxes, assessments (whether general or special), gas, electric, light, power, water and sewer charges, business, sales, use and occupation taxes, all permit and inspection fees, all license and occupation fees, and such other charges now or hereafter levied or assessed against the Property or any part thereof; provided, however, Mortgagor may contest such charges, levies and liens in good faith provided that prior written notice of such contest is provided to Mortgagee, and in the sole discretion of Mortgagee, adequate security is posted by Mortgagor. Upon request, Mortgagor shall exhibit to Mortgagee receipts for the payment of the foregoing items.

4.16 Valid and Binding Agreement. Mortgagor covenants and warrants that this Mortgage is a valid and enforceable obligation of Mortgagor in accordance with its respective terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity, and that the performance by Mortgagor of the terms hereof does not contravene any covenant in any agreement, indenture or other document affecting Mortgagor.

4.17 Escrow Deposits. Following any Event of Default that is not cured within the cure period allowed herein, if any, and if requested by Mortgagee at such time, Mortgagor will pay to Mortgagee contemporaneously with each monthly payment coming due under the Note a sum equal to one-twelfth (1/12th) of the real estate taxes and premiums for insurance required under this Mortgage so as to enable Mortgagee to pay the same at least thirty (30) days before they become due. If any Event of Default shall occur, Mortgagee shall have the right, at its election, to apply any amounts paid to Mortgagee under this Section 4.17 against all or any part of the Obligations secured by this Mortgage. If the real estate taxes and insurance premiums that are required to be deposited into escrow pursuant to this Section 4.17 exceed the estimate therefor and the amounts paid into escrow under this Section 4.17, Mortgagor shall on demand make good the deficiency. Mortgagor will furnish to Mortgagee tax and insurance bills in sufficient time to enable Mortgagee to pay such taxes and premiums, before interest and penalties accrue thereon. No interest will be paid to Mortgagor on any sums deposited with Mortgagee pursuant to this Section 4.17.

4.18 Representations. Mortgagor hereby represents, warrants and certifies that: (i) except as previously disclosed to Lender, there are no underground storage tanks located on, under or about the Property which are subject to the notification requirements under Section 9002 of the Solid Waste Disposal Act, as now or hereafter amended (42 U.S.C. § 6991); and (ii) there is no facility located on or at the Property which is subject to the reporting requirements of Section 312 of the federal Emergency Planning and Community Right to Know Act of 1986 and the federal regulations promulgated thereunder (42 U.S.C. § 11022), as "facility" is defined in RPTA.

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ARTICLE V ASSIGNMENT OF LEASES AND RENTS

5.01 Assignment of Leases and Rents. The Mortgagor does hereby, as and for collateral, sell, assign, transfer and set over unto the Mortgagee, its successors and assigns, all of the right, title and interest of the Mortgagor in, to and under all leases and subleases entered into between Mortgagor (or Mortgagor's Beneficiary) (or any predecessor of Mortgagor) and tenants of the Property (the "Leases"), including all amendments and supplements to and renewals and extensions of the Leases at any time made; together with all rents, earnings, income, issues and profits arising from the Property or from said Leases and all other sums due or to become due under and pursuant thereto; together with any and all guaranties under any of said Leases; together with all proceeds payable under any policy of insurance covering loss of rents for any cause; together with all rights, powers, privileges, options and other benefits of the Mortgagor, as lessor, under the Leases, it being intended by Mortgagor that this assignment constitutes a present, absolute and unconditional assignment and not an assignment for additional security only and including, but not limited to: (i) the immediate and continuing right to receive and collect all rents, income, revenues, issues, profits, condemnation awards, moneys and security payable or receivable under the Leases, or pursuant to any of the provisions thereof, whether as rent or otherwise, and (ii) the right to make all waivers and agreements, to give and to receive all notices, consents and releases, to take such action upon the happening of a default under any Lease, including the commencement, conduct and consummation of proceedings at law or in equity as shall be permitted under any provision of any Lease or by law, and to do any and all other things whatsoever which the Mortgagor is or may become entitled to do under the Leases; and together with all other rights, powers, privileges, options and benefits of the Mortgagor in connection with the Property, including, but not by way of limitation, all parking lot fees, building permits, zoning variances, plans, specifications and contracts with architects. Such assignment to Mortgagee shall not be construed to bind Mortgagee to the performance of any of the covenants, conditions or provisions contained in any such Lease or otherwise impose any obligation upon Mortgagee. Nevertheless, subject to the terms of this Article 5, Mortgagee grants to Mortgagor a revocable license to operate and manage the Property and to collect rents. Mortgagor shall hold the rents or a portion thereof sufficient to discharge all current sums due on the Obligations, in trust for the benefit of Mortgagee for use in the payment of such sums. Upon an Event of Default, the license granted to Mortgagee herein shall automatically be revoked, and Mortgagee shall immediately be entitled to all rents, whether or not Mortgagee enters upon or takes control of the Property.

5.02 Remedies. If an Event of Default shall occur, the Mortgagor consents to and irrevocably authorizes and directs the tenants under the Leases and any successors to the interest of the tenants, upon demand and notice from the Mortgagee of the Mortgagee's right to receive the rents and other amounts under such Leases, to pay to the Mortgagee the rents and other amounts due or to become due under the Leases, and the tenants shall have the right to rely upon such demand and notice from the Mortgagee without any obligation or right to determine the actual existence of the Mortgagee's right to receive such rents and other amounts, notwithstanding any notice from or claim of the Mortgagor to the contrary. The Mortgagor shall have no right or claim against any tenant for any such rents and other amounts so paid by the tenant to the Mortgagee.

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If any such Event of Default shall occur, the Mortgagee shall, at its option, have the complete right, power and authority, to (i) enter upon, take and maintain possession of and operate the Property, or any part thereof, together with all documents, books, records, papers, and accounts relating thereto; (ii) exclude the Mortgagor, its agents and servants therefrom; and (iii) hold, operate, manage and control the Property, or any part thereof, as fully and to the same extent as the Mortgagor could do if in possession, and, in such event, without limitation and at the Mortgagor's expense from time to time:

(a) Rent or lease the whole or any part of the Property for such term or terms and on such conditions as are commercially reasonable at the time, including entering into leases for terms expiring beyond the maturity of the Obligations secured by the Mortgage, and cancel any lease or sublease for any cause or on any ground which would entitle the Mortgagor to cancel it;

(b) Demand, collect, and receive from the tenant or tenants now or hereafter in possession of the Property, or any part thereof, or from other persons liable therefor, all of the rents and revenues from such tenant or tenants or other persons which may now be due and unpaid and which may hereafter become due;

(c) Institute and prosecute any and all suits for the collection of rents and all other revenues from the Property which may now be due and unpaid and which may hereafter become due; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover the possession of the whole or any part thereof; institute and prosecute summary proceedings for the removal of any tenant or tenants or other persons from the Property; and pay the costs and expenses of all such suits and proceedings out of the rents and other revenues received;

(d) Maintain the Property and keep it in repair, and pay, out of the rentals and other revenues received the costs of such maintenance and repairs, including the cost and expenses of all services of all employees, including their equipment, and of all expenses of maintaining and keeping the Property in repair and in proper condition;

(e) Employ an agent or agents to rent and manage the Property and to collect the rents and other revenues thereof, and pay the reasonable value of its or their services out of the rents and revenues received;

(f) Purchase and maintain general liability insurance, fire insurance, boiler insurance, rent insurance, workers' compensation law insurance, and generally such other insurance as is customarily carried by an owner of property of a style and kind similar to the Property, or as the Mortgagee may deem advisable or necessary, and pay the premiums and other charges out of the rents and other revenues received;

(g) Pay, out of the rents and other revenues received, all sums, and the interest thereon, now due to the Mortgagee under this Mortgage, the Notes or any Loan Document hereafter to become due, and all taxes, assessments, and other charges now due and unpaid and which may hereafter become due and a charge or lien upon the Property;

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(h) Execute and comply with all applicable laws, rules, orders, ordinances, and requirements of any and all governmental authorities affecting the Property, and pay the costs thereof out of the rents and other revenues received;

(i) Act exclusively and solely in the place and stead of the Mortgagor, and to have all of the Mortgagor's powers for the purposes stated above; and

(j) From time to time determine to which one or more of the above purposes the rents and revenues shall be applied and the amount to be applied thereto.

After payment of all proper charges and expenses, including the just and reasonable compensation (without regard to statutory interpretation) for the services of the Mortgagee, its attorneys and agents and others employed by the Mortgagee in connection with the operation, management and control of the Property, and such further sums as may be sufficient to indemnify the Mortgagee from and against any liability, loss or pursuance of its rights and powers under this Section, the Mortgagee shall credit the net amount of income which the Mortgagee may receive by virtue of this assignment and from the Property to any and all amounts due or owing to the Mortgagee from the Mortgagor under the terms and provisions of the Credit Agreement. The balance of the net income shall be released to or upon the order of the Mortgagor.

The Mortgagee's acceptance of this Mortgage, with all the rights, powers, privileges and authority created under this assignment, shall not, prior to entry upon and taking possession of the Property by the Mortgagee, be deemed or construed to constitute the Mortgagee a mortgagee in possession, or thereafter or at any time or in any event impose any obligation whatsoever upon the Mortgagee to appear in or defend any action or proceeding relating to any Lease or the Property, or to take any action hereunder, or to expend any money or incur any expenses, or to perform or discharge any obligation, duty or liability under any Lease, or to assume any obligation or responsibility for any security deposits or other deposits delivered to the Mortgagor by any tenant and not assigned and delivered to the Mortgagee, or render the Mortgagee liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Property.

The Mortgagor agrees that the collection of rents and the application as stated above or the entry upon and taking of possession of the Property, or any part thereof, by the Mortgagee shall not cure or waive any default or waive, modify or affect any notice of default under the Notes or any Loan Document, or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by the Mortgagee, once exercised, shall continue for so long as the Mortgagee elects so long as an Event of Default exists. If the Mortgagee elects to discontinue the exercise of any such right or remedy, the same or any other right or remedy under this Mortgage may be reasserted at any time and from time to time following any subsequent default.

5.03 Right of Mortgagor. Notwithstanding anything in this Mortgage, so long as no Event of Default exists, subject to the terms of this Section, the Mortgagor shall have the right to occupy the Property as landlord or otherwise, to collect, use, and enjoy the rents, issues, profits, and

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other sums payable under and by virtue of all Leases and to enforce the covenants of all Leases, it being agreed that the assignment made hereby is an absolute assignment for collateral purposes, but that Mortgagee will not exercise its rights hereunder provided that no Event of Default has occurred hereunder or under the Notes or any Loan Document.

Mortgagor hereby covenants and agrees that it shall not, without Mortgagee's prior written consent, which consent shall not be unreasonably withheld: (a) accept any payment of any installment of rent more than one (1) month in advance of the due date therefor; or (b) enter into any management agreement other than with an affiliate of the Mortgagor. Mortgagor further covenants and agrees that it shall, at its sole cost and expense: (a) promptly abide by, discharge and perform in all material respects all of the covenants, conditions and agreements contained in all Leases, on the part of the landlord thereunder; (b) enforce or secure the performance of all of the material covenants, conditions and agreements contained in any Lease on the part of any tenant thereunder; and (c) appear in and defend any action or proceeding arising out of or related to such Leases or the obligations, duties or liabilities of the landlord or of any tenants thereunder.

5.04 Mortgagee Not to Become Liable. The Mortgagee and its assigns shall not be obligated to perform or discharge, nor do such parties hereby undertake to perform or discharge, any obligation, duty, or liability of the Mortgagor under any Lease. This Article shall not operate to place upon the Mortgagee or its assigns responsibility for the control, care, management or repair of the Property or for the performance of any of the terms and conditions of any Lease. With the exception of acts of gross negligence or willful misconduct, the Mortgagee and its assigns shall not be responsible or liable for any waste committed on the Property, for any dangerous or defective condition of the Property, for any negligence in the management, upkeep, repair or control of the Property or for failure to collect any rents or other payments under the Leases.

5.05 Waiver of Mortgagor. To the fullest extent permitted by law, the Mortgagor hereby waives any and all claims against the Mortgagee and its assigns arising out of or in any way related to any act or failure to act pursuant to this assignment, it being expressly understood and agreed that this assignment of leases is for collateral purposes only, imposes no obligation on the Mortgagee or its assigns to take any action whatsoever and any action to enforce this assignment is in the sole discretion of the Mortgagee or its assigns.

5.06 Indemnification. The Mortgagor hereby agrees to indemnify, defend and hold the Mortgagee harmless, from and against any and all liabilities, losses, damages, costs and expenses which the Mortgagee may or might incur (other than for improper, illegal or negligent acts or omissions of the Mortgagee in connection with the exercise of its remedies) under or by reason of this Mortgage and from and against any and all claims and demands whatsoever which may be asserted against the Mortgagee by reason of any alleged obligation or undertaking on the part of the Mortgagee to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should the Mortgagee incur any such liability, loss, damage, cost or expense under or by reason of this assignment, or in the defense against any such claims or demands, then the amount thereof, including costs, expenses and reasonable attorneys' fees (without regard to statutory interpretation), shall be secured by this Mortgage and the Mortgagor shall reimburse the Mortgagee

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therefor immediately upon demand, and upon failure of the Mortgagor so to do, the Mortgagee may declare all sums secured hereby immediately due and payable.

ARTICLE VI DEFAULT; ACCELERATION

6.01 Events of Default. Any one or more of the following shall constitute an "Event of Default" under this Mortgage:

(a) Borrower shall fail to make any payment when due under any of the Notes referenced in the Credit Agreement, excepting such failures as may be attributable solely to Lender's failure to automatically debit the Borrower's account per the automatic debit direction, in effect from time to time;

(b) Borrower shall fail to observe or perform any of the covenants, agreements or conditions contained in this Mortgage which failure continues for a period of ten (10) days after Borrower has knowledge thereof or is given written notice thereof;

(c) Borrower shall fail to observe or perform any of the covenants, agreements or conditions contained in any of the other Loan Documents which failure continues for a period of ten (10) days after Borrower has knowledge thereof or is given written notice thereof;

(d) any representation or warranty made by Borrower, the Mortgagor, the Beneficiary, or the holders of the power of direction in the land trust in any Loan Document, or in any certificate, document or financial statement delivered to the Lender pursuant hereto or thereto shall prove to have been incorrect in any material respect as of the time when made or given;

(e) a final judgment (or judgments) shall be entered against Borrower, the Mortgagor, or the Beneficiary, either together or separately, which singularly or when added to any other outstanding final judgment (or judgments) against Borrower, the Mortgagor, or the Beneficiary either together or separately, exceeds the aggregate amount of \$10,000, and such judgment (or judgments) shall remain outstanding and unsatisfied, unbonded, uninsured or unstayed after thirty days from the date of entry thereof;

(f) Borrower or Beneficiary shall: (i) become insolvent; or (ii) be unable, or admit in writing its inability, to pay its debts as they mature; or (iii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its Property; or (iv) become the subject of an "Order for Relief" as said term is defined under the United States Bankruptcy Code; or (v) file an answer to a creditor's petition admitting the material allegations thereof for reorganization or to effect a plan or other arrangement with creditors; or (vi) apply to

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a court for the appointment of a receiver for any assets; or (vii) have a receiver appointed for any of its assets (with or without the consent of the Borrower or Beneficiary) and such receiver shall not be discharged within ninety (90) days after the appointment; or (viii) otherwise become the subject of any insolvency proceeding or an out-of-court settlement with its creditors, not in the ordinary course of business and which proceeding is not resolved or dismissed to Lender's satisfaction within 90 days thereof;

(g) Borrower or Beneficiary is involuntarily dissolved or files articles of dissolution or gives notice of dissolution at any time;

(h) the Credit Agreement or any of the other Loan Documents shall at any time cease to be in full force and effect, or Borrower shall attempt to revoke or terminate, the Credit Agreement or any Loan Document;

(i) there shall occur an event of default under any of the Loan Documents;

(j) A material adverse change occurs, as reasonably determined by Lender, in the financial condition, property or continued operations of Borrower or Beneficiary;

(k) Subject to any applicable cure and/or notice periods, any material default shall occur under any material agreement, document or instrument binding upon Borrower or Beneficiary, or any assets of Borrower or Beneficiary, including, but not limited to, any default in the payment when due of any principal of or interest on any indebtedness for money borrowed or guaranteed by Borrower or Beneficiary, or any default in the payment when due, or in the performance or observance of, any material obligation of, or condition agreed to, by Borrower or Beneficiary with respect to any purchase or lease of any real or personal property or services;

(l) the Property or any part thereof shall be sold, transferred, or conveyed, whether voluntarily or involuntarily, by operation of law or otherwise, except for sales of obsolete, worn out or unusable fixtures or personal property which are concurrently replaced with similar fixtures or personal property at least equal in quality and condition to those sold and owned by Mortgagor or Beneficiary free of any lien, charge or encumbrance other than the lien hereof; or

(m) any indebtedness secured by a lien or charge on the Property or any part thereof is not paid when due or proceedings are commenced to foreclose or otherwise realize upon any such lien or charge or to have a receiver appointed for the property subject thereto or to place the holder of such indebtedness or its representative in possession thereof.

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6.02 Notwithstanding the foregoing, if any default, other than a payment default on the Notes, is curable and if the applicable Borrower has not had a similar default within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if such Borrower, after receiving written notice from the Mortgagee demanding cure of such default: (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which the Mortgagee deems in the Mortgagee's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

ARTICLE VII REMEDIES

Upon the happening of an Event of Default, Mortgagee may, by written notice to Mortgagor, declare the Notes and all unpaid indebtedness hereby secured, including any interest then accrued thereon, to be immediately due and payable, whereupon the same shall become and be immediately due and payable, without other notice or demand of any kind. Additionally, Mortgagee shall have the following rights as well as all rights available under applicable law:

7.01 Action or Suit. Mortgagee may proceed to protect and enforce its rights by an action or actions at law or by a suit or suits in equity, either for the specific performance of any covenant or agreement contained herein, or for the foreclosure of this Mortgage, or for monetary damages, or for the enforcement of any other appropriate legal or equitable remedy.

7.02 Receiver. Mortgagee shall be entitled as a matter of right, without notice and without giving bond to Mortgagor, or anyone claiming under it, to have a receiver appointed for Mortgagee's benefit of all of the Property and of the earnings, income, rents, issues and profits thereof, pending such proceedings, with the powers (without limitation) to collect such earnings, income, rents, issues and profits; to rent and remodel the rentable areas; to perform and pay any obligations of Mortgagor under the Credit Agreement; together with such other powers as the court making such appointment shall confer; and Mortgagor hereby irrevocably consents to such appointment.

7.03 Entry Upon the Property. Mortgagee, either itself or by its agents or attorneys, may, in its discretion, enter upon and take complete and peaceful possession of the Property, or any part or parts thereof, and may exclude Mortgagor and its agents and servants wholly therefrom, in which case Mortgagor covenants peacefully and quietly to yield up possession, and having and holding the Property or portion thereof, Mortgagee may use, operate, manage and control the Property, or any part thereof, and conduct the business thereof (either itself or by its attorneys and agents), and may collect any and all rents, issues and profits due or to become due without prejudice to its rights to foreclosure, to appointment of a receiver and other rights and from time to time, either by purchase, repair or construction may maintain, restore and insure and keep insured, the buildings, structures, improvements, fixtures, machinery, equipment and other property constituting a part of or used in connection with the Property; and after paying all of the expenses of operating the Property,

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Mortgagee shall apply the monies arising therefrom to the payment of the amounts then due under the Notes for interest and principal, with interest on overdue interest and principal at the rate provided for in the respective Note from the date the same became payable, whether by lapse of time, acceleration or otherwise.

7.04 Foreclosure. Mortgagee may cause the Property to be sold at one or more foreclosure sales, all in such manner and upon such notice as provided by Illinois law, as the same may be amended from time to time. All proceeds of any such sale or sales, remaining after payment of: (a) the costs and expenses of such sale or sales (including reasonable attorneys' fees of Mortgagee); (b) all principal and interest due under the Notes, including interest on overdue principal and interest at the rate of interest provided for in the respective Note; and (c) all other Obligations arising under the provisions of this Mortgage and the Credit Agreement, shall be paid to Mortgagor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same. Notwithstanding anything contained herein to the contrary, it is understood and agreed that Mortgagee may foreclose this Mortgage without declaring the whole Obligations evidenced by the Notes and intended to be secured hereby due; and, if any foreclosure sale is made because of an Event of Default for less than the full amount which may become due under the Notes, such sale may be made subject to the unmatured portion of the Obligations secured by this Mortgage and such sale, if so made, shall not in any manner affect the unmatured portion of the Obligations intended to be secured by this Mortgage but as to such unmatured portion of the debt to be secured, several sales may be made for any other portion of the Obligations to be secured, whether matured at the time or subsequently occurring.

7.05 Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. Mortgagor agrees to the full extent permitted by law, that in case of an Event of Default, neither Mortgagor nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisal, valuation, stay or extension laws now or hereafter in force, or take any other action which would prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereat. Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully do, the benefit of all such laws, including but not limited to the right to reinstatement or redemption as provided by 735 ILCS 5/16-1601, and any and all right to have the assets comprising the Property marshalled upon any foreclosure of the lien hereof and agrees that Mortgagee or any court having jurisdiction to foreclose such lien may sell the Property in part or as an entirety. Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include agricultural real estate (as defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15 – 1101 et seq.)(herein called the "Act")) nor residential real estate (as defined in Section 15-1219 of the Act.)

7.06 Costs of Foreclosure. In addition to the Mortgagor's obligations set forth in Section 4.05, in case it becomes necessary for Mortgagee to commence proceedings to foreclose this Mortgage or to commence any other suit in equity, action at law or other appropriate proceedings, to enforce its rights under this Mortgage, the Credit Agreement, the Notes or any of the other Loan Documents, Mortgagor agrees to pay to Mortgagee all costs of such suit, action or proceeding as

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well as all expenses incurred in procuring title insurance and the reasonable legal fees of Mortgagee's attorneys in connection therewith, which costs and fees shall be included in the judgment in any such suit, action or proceeding.

7.07 Remedies Cumulative. No remedy herein conferred upon or otherwise available to Mortgagee is intended to be or shall be construed to be exclusive of any other remedy or remedies; but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein.

ARTICLE VIII GENERAL

8.01 Notices. Any notices given in connection with this instrument shall be in writing and shall be deemed to have been given or made when delivered in hand, deposited in the United States Mail-Certified-Return Receipt Requested, sent by facsimile transmission or delivered by overnight courier. Communications or notices shall be addressed as follows, unless and until either of such parties notifies the other of a change of address through actual written notice to said party:

If to the Mortgagor:

Chicago Title Land Trust Company
10 South LaSalle Street
Suite 2750
Chicago, IL 60603

and

Rosar Building Corporation
c/o Dennis J. Kochan
2727 Gardner Road
Broadview, IL 60155

If to the Mortgagee:

MB Financial Bank, N.A.
Attn: Mr. James G. Houston
363 West Ontario Street
3rd Floor
Chicago, IL 60654

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8.02 Governing Law; Venue. This Mortgage shall be construed and enforced according to the laws of the State of Illinois.

8.03 Successors and Assigns; Partial Invalidity. All covenants and agreements in this Mortgage contained by or on behalf of either of the parties hereto shall be binding upon and shall inure to the benefit of the respective successors and assigns of Mortgagor and Mortgagee. Invalidation of part or all of any one of the covenants herein contained by judgment or court order shall not affect any of the other provisions, which shall remain in full force and effect.

8.04 Mortgagor and Lien not Released. From time to time, Mortgagee may, at its option, without giving notice to or obtaining the consent of Mortgagor, Mortgagor's successors or assigns or of any junior lienholder or guarantors, without liability on Mortgagee's part and notwithstanding Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage, extend the time for payment of the Obligations evidenced by the Notes or any part thereof, reduce the payments thereon, release anyone liable on any of said Obligations, modify the terms and time of payment of said Obligations, release from the lien of this Mortgage any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any plat or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement and agree in writing with Mortgagor to modify the terms or conditions of the Notes or change the amount of the installments payable thereunder. Any actions taken by Mortgagee pursuant to the terms of this Section 8.04 shall not affect the obligation of Mortgagor or Borrowers or Mortgagor's successors or assigns to pay the sums secured by this Mortgage and to observe the covenants of Mortgagor contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the Obligations secured hereby and shall not affect the lien or priority of lien hereof on the Property. Mortgagor shall pay Mortgagee a reasonable service charge, together with such title insurance premiums and reasonable attorneys' fees as may be incurred at Mortgagee's option, for any such action if taken at Mortgagor's request.

8.05 Forbearance by Mortgagee not a Waiver. Any forbearance by Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Mortgagee of payment of any sum secured by this Mortgage after the due date of such payment shall not be a waiver of Mortgagee's rights to either require prompt payment when due or all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Mortgagee shall not be a waiver of Mortgagee's right to accelerate the maturity of the Obligations secured by this Mortgage, nor shall Mortgagee's receipt of any awards, proceeds or damages under Section 4.02 or Section 4.04 hereof operate to cure or waive Mortgagor's default in payment of sums secured by this Mortgage.

8.06 Further Assurances. At any time and from time to time, upon Mortgagee's reasonable request, Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to Mortgagee, and where appropriate shall cause to be recorded, registered or filed, and from time to time thereafter to be re-recorded, re-registered and refiled at such time and in such offices and places as shall be deemed desirable by Mortgagee, any and all such further mortgages, security agreements, financing statements, instruments of further assurance, certificates and other

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documents as Mortgagee may consider reasonably necessary or desirable in order to effectuate or perfect, or to continue and preserve the obligations under this Mortgage, any guaranty, the Notes, the Credit Agreement or any of the other Loan Documents and any instrument evidencing or securing Obligations, and the lien of this Mortgage as a lien upon all of the Property, whether now owned or hereafter acquired by Mortgagor, and unto all and every person or persons deriving any estate, right, title or interest under this Mortgage. Upon any failure by Mortgagor to do so, Mortgagee may make, execute, record, register, file, re-record, re-register or re-file any and all such mortgages, instruments, certificates and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor to do so.

8.07 Compliance with Illinois Mortgage Foreclosure Law (the "Act"). In the event that any provision in this Mortgage shall be inconsistent with any provision 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 provision 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 that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Mortgage, shall be added to the Obligations secured by this Mortgage or by the judgment of foreclosure.

8.08 Waiver of Trial by Jury. TO INDUCE MORTGAGEE TO MAKE THE LOANS, MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHTS WHICH MORTGAGOR MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDINGS IN WHICH MORTGAGOR AND MORTGAGEE ARE ADVERSE PARTIES, IN CONNECTION WITH THE NOTES, THIS MORTGAGE, THE CREDIT AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS.

8.09 Consent to Jurisdiction, Service of Process. TO INDUCE MORTGAGEE TO MAKE THE LOANS, MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY AGREES THAT ALL ACTIONS ARISING DIRECTLY OR INDIRECTLY AS A RESULT OF THE NOTES, THIS MORTGAGE, THE CREDIT AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS SHALL BE INSTITUTED AND LITIGATED ONLY IN COURTS HAVING SITUS IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND MORTGAGOR HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT LOCATED AND HAVING A SITUS IN SAID COUNTY OF COOK, ILLINOIS, AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS. MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS, AND CONSENTS THAT, AT MORTGAGEE'S OPTION, ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO MORTGAGOR AT

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THE ADDRESS FOR MORTGAGOR INDICATED HEREIN OR IN THE CREDIT AGREEMENT.

8.10 Recitals. The recitals are hereby incorporated by reference into the body of this Agreement as if fully set forth herein.

8.11 Business Loan. Mortgagor stipulates, represents, warrants, affirms and agrees that each of the loans and other Obligations secured hereby constitute a “business loan” within the meaning of the Illinois Compiled Statutes, Chapter 815, Sections 205/4(a) or (c), as amended.

8.12 Obligations of Mortgagor. Notwithstanding any reference in this instrument to “Mortgagor”, to the extent that the Land Trust Agreement expressly or by implication vests in the beneficiary thereof responsibility for any specified representation, warranty, covenant or undertaking, Borrowers individually and collectively represent that said representation or warranty is and shall be true, and shall affirmatively perform all such covenants and undertakings.

[The remainder of this page is left intentionally blank; signature page follows.]

County of Cook County Clerk's Office

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage on the date first above written.

MORTGAGOR:

Chicago Title Land Trust Company,
as Successor Trustee under Trust Agreement
Dated November 12, 1965, Trust No. 297

By: Sheila Dargent
ASSISTANT VICE PRESIDENT

BORROWER;

Rosar Building Corporation
An Illinois Corporation

By: Robert J. Anderson
President

This instrument is executed by the undersigned Land Trustee, not personally but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed that all the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee are undertaken by it solely in its capacity as Trustee and not personally. No personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee in this instrument.


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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

The undersigned, a Notary Public, in and for the State and County aforesaid, does hereby certify that before me this day personally appeared RPS known to me to be the President and Secretary of Kosar Building Corporation, who acknowledged, executed and delivered this instrument as their free, voluntary and duly authorized act in behalf of the Corporation.

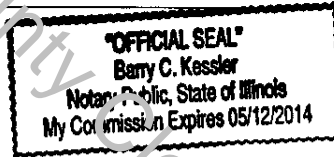
Given under my hand and Notarial Seal this 6th day of Nov, 2013.



Notary Public

Name: _____

My Commission Expires: 5/12/14



This Instrument Drafted By And
Should Be Returned To:
Barry C. Kessler
Barry C. Kessler & Associates
1275 Milwaukee Avenue
Suite 300
Glenview, IL 60025
847.803.3400

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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

SHEILA DAVENPORT Trust Administrator of Chicago Title Land Trust Company who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such trust administrator, appeared before me this day in person and acknowledged that (s)he signed and delivered this aforesaid instrument as his/her free and voluntary act and as the free and voluntary act of said Trust Company, as Trustee as aforesaid, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 31ST day of October, 2013.

Grace Marin
Notary Public

Name: 7/1/2017

My Commission Expires: 7/1/2017



This Instrument Drafted By And Should Be Returned To:
Barry C. Kessler
Barry C. Kessler & Associates
1275 Milwaukee Avenue
Suite 300
Glenview, IL 60025
847.803.3400

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EXHIBIT A

Parcel 1:

The South 130 feet of Lot 1 in the resubdivision of the South $\frac{1}{2}$ of the North East $\frac{1}{4}$ of the South East $\frac{1}{4}$ (except the South 233 feet thereof) lying between the East line of Gardner Road (formerly Puscheck Road) and the West line of Indiana Harbor Belt Railroad right of way in Section 21, Township 39 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois

PIN: 15-21-404-038-0000 Commonly known as 1815 Gardner Road, Broadview, Illinois

Parcel 2:

Lot 2 in the resubdivision of the South $\frac{1}{2}$ of the North East $\frac{1}{4}$ of the South East $\frac{1}{4}$ (except the South 233 feet thereof) lying between the East line of Gardner Road (formerly Puscheck Road) and the West line of the Indiana Harbor Railroad right of way in Section 21, Township 39 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois

PIN: 15-21-404-034-0000 Commonly known as 1831 Gardner Road, Broadview, Illinois

Parcel 3:

All of Lot 3 of the Resubdivision of the South $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ (except the South 233 feet thereof) lying between the East line of Gardner Road (formerly Puscheck Road) and the West line of Indiana Harbor Railroad right of way, in Section 21, Township 39 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois

PIN: 15-21-404-035-0000 Commonly known as 1835 Gardner Road, Broadview, Illinois

PIN: 15-21-404-036-0000 Commonly known as 1839 Gardner Road, Broadview, Illinois

Parcel 4:

The North 200 feet of the South 233 feet of the South $\frac{1}{2}$ of that part of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ lying West of the Indiana Harbor Railroad right of way in Section 21, Township 39 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois

PIN: 15-21-404-029-0000 Commonly known as 1931 Gardner Road, Broadview, Illinois

Parcel 5:

That part of the West 20th Street described as follows: the South 33 feet of the East 197.94 feet of the West 375.94 feet of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 21, Township 39 North, Range 12, East of the Third Principal Meridian, all being located in the Village of Broadview, Township of Proviso, City of Chicago, State of Illinois, as per document number 18710411, dated January 31, 1963 in Cook County, Illinois

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PIN: 15-21-404-029-0000 Commonly known as 1931 Gardner Road, Broadview, Illinois

Parcel 6:

Lot 48 (except the East 20 feet thereof) in Komarek's West 22nd Street 6th Addition, a subdivision of that part of the Southeast ¼ of the Southeast ¼ in Section 21, Township 39 North, Range 12, East of the Third Principal Meridian, lying West of the West line of the right of way of the Chicago, Hammond and Western Railway in Cook County, Illinois

PIN: 15-21-420-027-0000 Commonly known as 2801 Gardner Road, Broadview, Illinois

Parcel 7:

Lots 43 to 47, both inclusive in Komarek's West 22nd Street 6th Addition, a subdivision of that part of the Southeast ¼ of the Southeast ¼ in Section 21, Township 39 North, Range 12, East of the Third Principal Meridian, lying west of the west line of the ROW of the Chicago, Hammond and Western Railway in Cook County, Illinois

PIN: 15-21-420-057-0000 Commonly known as 2801 Gardner Road, Broadview, Illinois

PIN: 15-21-420-058-0000 Commonly known as 2801 Gardner Road, Broadview, Illinois

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EXHIBIT B

Permitted Liens

1. The following are permitted liens as indicated on Chicago Title Insurance Company's Commitment for Title Insurance with effective date August 15, 2013:

Schedule B exceptions: D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, T, AH

[No other Permitted Liens]

Property of Cook County Clerk's Office