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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Doc#: 1400919063 Fee: \$92.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 01/09/2014 11:58 AM Pg: 1 of 28

1349212 1/2
Report Mortgage Fraud
800-532-8785

The property identified as: **PIN:** 20-20-221-042-0000

Address:

Street: 6544 S Peoria St

Street line 2:

City: Chicago

State: IL

ZIP Code: 60621

Lender: WDB Funding, LLC

Borrower: Chicago Dream Homes Corporation

Loan / Mortgage Amount: \$112,500.00

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.

Old Republic National Title Insurance Company
20 South Clark Street
Suite 2000
Chicago, IL 60603

Certificate number: 9B74E687-8B18-46CF-A2A7-32332E2FC385

Execution date: 12/20/2013

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RECORD AND RETURN TO:
WDB FUNDING, LLC
2691 S. Decker Lake Lane
West Valley City, Utah 84119

OPEN END
MORTGAGE AND SECURITY AGREEMENT

1349212 1/2
Old Republic National Title
Insurance Company
20 S Clark Street, Ste 2000
Chicago IL 60603

CHICAGO DREAM HOMES CORPORATION
Mortgagor,

and

WDB FUNDING, LLC
Mortgagee

Dated: December 20, 2013

Mortgage Amount: **\$112,500.00**

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THIS FIRST MORTGAGE AND SECURITY AGREEMENT, made the 20th day of December, 2013, from **CHICAGO DREAM HOMES CORPORATION**, a Illinois Corporation with a mailing address of 621 Dana Court, Apt D, Naperville, IL 60563 ("Borrower" or "Mortgagor"), to **WDB FUNDING, LLC**, a Limited Liability Company existing under the laws of the State of Delaware with a mailing address of 2691 S. Decker Lake Lane, West Valley City, Utah 84119 ("Lender" or "Mortgagee"), to secure payment of **ONE HUNDRED TWELVE THOUSAND FIVE HUNDRED AND 00/100 (\$112,500.00) DOLLARS** and interest thereon ("Loan").

WITNESSETH THAT:

WHEREAS, Mortgagor is on the date of this Mortgage the owner of fee title to one or more parcels of land and the improvements thereon located at **6544 S Peoria Street, Chicago, IL 60621**, as more particularly described in Schedule A annexed hereto and made part hereof;

WHEREAS, the entire unpaid principal balance of the indebtedness, together with accrued interest due thereon, and any other sums remaining due and payable hereunder, shall be paid in full on **June 1, 2014** ("Maturity Date").

WHEREAS, in order to secure the payment of the Commercial Term Promissory Note of even date herewith (hereinafter the "Note") and the other associated documents executed by Mortgagor with regard to this loan (collectively the "Loan Documents"), Mortgagor has duly authorized the execution and delivery of this Mortgage.

TO SECURE (a) the full, faithful and punctual (i) payment by Mortgagor of all sums payable under the Note, a copy of which is attached as Schedule B, or any other Loan Document (as hereinafter defined), and (ii) performance of and compliance with each and every term, condition, agreement, undertaking, covenant and provision to be performed or complied with by Mortgagor pursuant to the Note and the Loan Documents, and (b) the truth, accuracy and completeness of all representations and warranties made by Mortgagor to Mortgagee in the Note and Loan Documents or otherwise in connection with the Loan, Mortgagor hereby creates in favor of Mortgagee a security interest in, and mortgages, grants, assigns, transfers and sets over to Mortgagee, its successors and assigns all of Mortgagor's estate, right, title, interest, claim and demand (whether at law or in equity, in possession or expectancy) in, to and under the following described property (collectively, the "Mortgaged Premises"), whether now owned or held or hereafter acquired by Mortgagor:

(i) the premises described in Schedule A, including all easements, rights, privileges and appurtenances that in any way belong or appertain to such premises, and all estate, right, title, interest, claim or demand whatsoever of Mortgagor therein and in the streets and ways adjacent thereto, whether in law or in equity, in possession or expectancy, now or hereafter acquired, together with any and all options held by Mortgagor to purchase, lease, or sublease or otherwise acquire such premises or any portion thereof or interest therein, and any greater estate in such premises now owned or hereafter acquired by Mortgagor (collectively, the "Premises");

(ii) all structures, buildings or other improvements now or hereafter located upon the Premises or on any part thereof, including all plant, equipment, apparatus, machinery and

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fixtures forming part of said structures, buildings and other improvements (all, collectively, the "Improvements");

(iii) all fixtures, fittings, furniture, furnishings, appliances, apparatus, equipment, machinery and other articles of personal property (including without limitation all building service equipment and building materials and supplies), other than those owned by lessees, now or at any time hereafter attached to, placed upon, or used or to be used in any way in connection with the use, enjoyment, occupancy or operation of the Premises or the Improvements (all, collectively, the "Chattels");

(iv) all present and future insurance policies now or hereafter in effect insuring the Mortgaged Premises or any portion thereof or any Rents derived therefrom, and any unearned premiums therefor accrued or to be accrued and all proceeds payable thereunder, together with all moneys now or hereafter on deposit for the payment of premiums in respect of such policies and Impositions (as defined herein), and all refunds of real estate taxes and assessments;

(v) all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards, judgments, awards of damages and settlements made as a result or in lieu of any condemnation, together with all claims, demands, causes of action and recoveries for any loss or diminution in value of any of the foregoing;

(vi) all warranties, guarantees, plans and specifications, shop and working drawings, soil tests and other site tests, environmental or otherwise, and all other documents and materials (of any and every kind and nature) now or hereafter existing in respect of the Mortgaged Premises;

(vii) all betterments, renewals, extensions and replacements of, all substitutions for, and all additions, accessions and appurtenances to, the Mortgaged Premises, hereafter acquired by or released to Mortgagor or constructed, assembled or placed by or for Mortgagor at, on or beneath the Premises or attached to the Premises or the Mortgaged Premises, as may be more particularly provided for in this Mortgage; and

(viii) all claims (of any and every kind and nature) relating to the foregoing components of the Mortgaged Premises.

TO HAVE AND TO HOLD unto Mortgagee, its successors and assigns forever. Mortgagor agrees as follows:

1. In the event Mortgagor, without the prior written consent of Mortgagee, in each instance obtained, shall sell, assign, convey, or otherwise transfer the Mortgaged Premises or any part thereof, or the right to control the operation of the property or any part thereof, or permit the property or any part thereof to be sold, assigned, conveyed, or transferred by a person or entity other than the Mortgagor, then the entire unpaid balance of the indebtedness shall, at the option of the Mortgagee, be immediately due and payable. Provided that in determining whether to grant or withhold its consent under this provision, Mortgagee, without limitation of its rights hereunder or otherwise, may not only consider the character and financial ability of the proposed

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purchaser, assignee, transferee or encumbrancer but may also condition its consent on a change in the terms of payment of the Note, including an increase in the rate of interest payable thereunder. Notwithstanding the provisions contained herein, it is understood and agreed that Mortgagee may arbitrarily withhold its consent under this or any other provision of this Mortgage.

2. In the event the Mortgagor without prior written consent from the Mortgagee, incurs, permits or otherwise becomes obligated on any debt or financial obligation, either directly or indirectly or under any set of contingencies or places any subordinate mortgages, either (a) secured in part or in full by the Mortgaged Premises or (b) unsecured and incurred, permitted or obtained on the basis of repayment from or actually repaid from funds derived from the use or operation of the Mortgaged Premises, or the proceeds of which are to be used either directly or indirectly for the use or operation of the Mortgaged Premises, prior to the time that all principal interest and other charges have been paid in full under this Agreement, and any other Loan Documents executed concurrently herewith, Mortgagee may, at Mortgagee's option, declare all of the sums secured under this Mortgage and Security Agreement to be immediately due and payable.

3. The Mortgagor shall furnish to the Mortgagee, within sixty (60) days after the end of each calendar year of Mortgagor's operation of the Premises, a balance sheet and statement of profit and loss prepared and certified by Mortgagor or member of Mortgagor, in accordance with generally accepted accounting principles consistently applied.

Contemporaneously therewith, Mortgagor shall furnish an annual financial report of the Mortgagor satisfactory to Mortgagee in all respects and prepared in accordance with generally accepted accounting principles.

Mortgagor further agrees that, upon demand by Mortgagee and within sixty (60) days after such demand, Mortgagor shall furnish to Mortgagee a written statement of receipts and disbursements of the Premises for the twelve (12) months preceding the first day of the month in which the request is made and a written statement containing a complete accounting of work completed on the Premises, certificates of compliance from the Contractor and Architect, Lien waivers for completed work on the Premises, the names of any tenants of the Premises, the terms of their respective tenancies, the space occupied, and the rentals paid therefor.

All financial statements of the Mortgagor shall be delivered in duplicate, and, in the case of the Mortgagor, shall be accompanied by the certificate of the principal financial or accounting officer of the Mortgagor, dated within ten (10) days of the delivery of such statements to Mortgagee, stating that Mortgagee knows of no Event of Default, nor any event that, after notice of lapse of time or both, would constitute an Event of Default, which has occurred and is continuing; or, if such an Event of Default has occurred and is continuing, specifying the nature and period of existence thereof and what action the Mortgagor has taken or proposes to take with respect thereto; and, except as otherwise specified, stating that the Mortgagor has fulfilled all its obligations under this Mortgage that are required to be fulfilled on or prior to date of such certificate.

4. In order to more fully protect the security of this mortgage, the Mortgagor together with,

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and in addition to the monthly payments of interest and principal under the terms of the Note secured hereby, shall, at the sole and absolute option of the Mortgagee, pay to the Mortgagee each month until the whole of the principal and interest are fully paid, one-twelfth (1/12th) of the annual real estate taxes and one-twelfth (1/12th) of the water rates and sewer rents (if any), and one-twelfth (1/12th) the hazard insurance, covering the Mortgaged Premises, all as estimated by the Mortgagee, and full, irrevocable authority is hereby given to the Mortgagee to apply the same to the payment of any taxes and insurance premiums due. If the amounts paid by the Mortgagor are insufficient to pay for all of the aforesaid items, the Mortgagor agrees to pay the deficiency on demand. A failure to make any of these payments when due shall be an Event of Default under the terms of this mortgage and thereupon the holder of this Mortgage may declare the entire unpaid balance of principal and interest due and payable forthwith.

If the law puts limits on the total amount of funds Mortgagee can collect and hold in escrow the Mortgagee shall comply with the requirements of holding an escrow account.

5. All payments made under the Note shall be applied as follows: first, to the payment of interest on the principal balance outstanding hereunder from time to time; second, to the payment of sums payable by Mortgagor to the holder of the Note under any Loan Document other than on account of principal and interest; and third, to the payment of principal. The term "Loan Document" shall mean any instrument, and the term "Loan Documents" shall mean all instruments, delivered (whether now or hereafter and whether by Mortgagor or any other person or entity) to Mortgagee or any other holder of the Note in connection with the loan evidenced by the Note.

6. If the Mortgage is referred to attorneys for collection or foreclosure, the Mortgagor shall pay all sums, including reasonable attorney's fees, incurred by the Mortgagee, together with all costs, disbursements and allowances with or without the institution of an action or proceeding. All such sums with interest thereon at the rate set forth herein shall be deemed to be secured by the Mortgage and collectible out of the Mortgaged Premises.

7. Notwithstanding any taking by eminent domain or other governmental action causing injury to, or decrease in value of, the Premises or any part thereof and/or creating a right to compensation therefor, including, without limitation, the change of the grade of any street, Mortgagor shall continue to pay interest, computed at the rate per annum provided in the Note, on the entire unpaid principal amount secured by this Mortgage, until the award or compensation for such taking or other action shall have been actually received by Mortgagee, and such award or compensation need not be applied by Mortgagee in reduction of principal but may be applied in such proportions and priority as Mortgagee, in Mortgagee's sole discretion, may elect, to the payment of principal, interest or other sums secured by this Mortgage (whether or not then due and payable) and/or to payment to Mortgagor, on such terms as Mortgagee may in its sole discretion specify, for the sole purpose of altering, restoring or rebuilding any part of the Premises which may have been altered, damaged or destroyed as a result of any such taking or other action. If, prior to the receipt by Mortgagee of such award or compensation, the Mortgaged Premises or any part thereof shall have been sold on foreclosure of this Mortgage, Mortgagee shall have the right to receive said award or compensation to the extent of any deficiency found to be due upon such sale, with interest thereon at the Involuntary Rate, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied,

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together with counsel fees and any and all other costs and disbursements incurred by Mortgagee in connection with the collection of such award or compensation.

8. The Note, or an interest in the Note, together with this Mortgage, may be sold or assigned one or more times. Mortgagor may not receive any prior notice of these sales or assignments.

9. Mortgagee and others authorized by Mortgagee may enter on and inspect the property.

10. The Mortgagor hereby indemnifies and holds the Mortgagee harmless for any brokerage claims, if any, which may be made in connection with this loan transaction.

11. The whole of the principal sum and interest secured hereby shall become due, at the option of the Mortgagee, upon the occurrence of any of the following events (an "Event of Default"):

(a) the default in the payment of any installment of principal or interest within ten (10) days of the date that the same comes due; or

(b) the default in the payment of any tax, water charge, sewer rent, assessment, or license fee or other charge, levy or imposition against or affecting any part of the Premises prior to the date penalties accrue for failure to pay said charge, or the failure of Mortgagor to furnish Mortgagee with receipted tax bills or other proof of payment and delivery of the aforesaid items by no later than ten (10) days following notice by Mortgagor; or

(c) the default either in maintaining the policies of insurance herein described or referred to and delivering the same or certificates thereof or in reimbursing Mortgagee for premiums paid on such insurance, as hereinbefore provided, within fifteen (15) days following notice; or

(d) the removal, demolition or material alteration of any building or other property on the Premises; or

(e) the assignment by Mortgagor of the whole or any part of the rents, issues or profits arising from the Premises to any person or entity without the prior written consent of Mortgagee; or

(f) the failure to maintain the buildings on the Premises in good repair within fifteen (15) days following notice to Mortgagor; or

(g) the failure to comply with any requirement or order or notice of violation of law or ordinance issued by any governmental department claiming jurisdiction over the Premises within the time period required by law or by such order or within thirty (30) days from the issuance thereof, whichever is earlier, within ten (10) days following notice to Mortgagor; or

(h) the failure by Mortgagor to make payment of any other sums required to be paid under the Note, this Mortgage, or other Loan Documents within ten (10) days after written notice thereof shall have been given by Mortgagee; or

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(i) the failure by Mortgagor to comply with any other covenants or conditions contained in this Mortgage (other than a default referred to in subparagraphs (a) through (h) of this Article and except with respect to the failure to comply with its covenants to take out and maintain insurance as set forth in this Mortgage as to which no notice, grace or demand shall be required), which failure shall continue unremedied for a period of thirty (30) days after written notice thereof shall have been given by Mortgagee, or, with respect to any such default which shall be of such a nature that it can be cured or remedied by Mortgagor but cannot reasonably be cured or remedied within thirty (30) days, the failure of Mortgagor to promptly commence within such thirty (30) day period and thereafter exercise due diligence and continuous effort to remedy the same; or

(j) Mortgagor shall: (i) commence a voluntary case for relief as a debtor under the United States Bankruptcy Code or file a petition to take advantage of any other present or future insolvency act or other applicable law relating to bankruptcy, insolvency, reorganization or relief of debtors; (ii) make an assignment for the benefit of creditors; or (iii) consent to, or acquiesce in, the appointment of a receiver, liquidator, trustee, custodian or other similar official of itself or of the whole or any substantial part of its properties or assets; or

(k) without the consent or acquiescence of Mortgagor, (i) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver, liquidator, trustee, custodian or other similar official of Mortgagor or of the whole or any substantial part of the property or assets of Mortgagor and such order, judgment, or decree shall not be vacated, or set aside, or stayed, within thirty (30) days after the entry thereof, or (ii) an involuntary case under said Bankruptcy Code shall be commenced against Mortgagor or a petition shall be filed against either of them seeking similar relief under any other present or future insolvency act or other applicable law relating to bankruptcy, insolvency, reorganization or relief of debtors and such case or petition shall remain undismissed for thirty (30) days, or (iii) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of Mortgagor or of the whole or any substantial part of the property or assets of Mortgagor and such custody or control shall remain unterminated or unstayed for thirty (30) days; or

(l) any representation, warranty or statement contained in any writing delivered to Mortgagee prior to or simultaneously with the execution and delivery hereof shall prove to be incorrect or incomplete in any material respect, within ten (10) days following notice to Mortgagor; or

(m) the passage of any law deducting from the value of real property for the purposes of taxation, any lien thereon, or changing in any way the taxation of mortgages or debts secured thereby for state or local purposes, or the manner of collecting such taxes and imposing a tax, either directly or indirectly, on this Mortgage or the debt secured hereby, unless such law shall permit Mortgagor to pay, and Mortgagor pays such tax or taxes within the thirty (30) day period following notice to Mortgagor of such law; or

(n) the failure of Mortgagor to commence proceedings to discharge of record by bonding or otherwise any mechanic's lien filed against the Premises within thirty (30) days

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following notice to Mortgagor; or

(o) the default by Mortgagor under the terms, conditions or provisions of any other mortgage or lien on the Premises, whether or not consented to by Mortgagee, within fifteen (15) days following notice to Mortgagor; or

(p) Failure of Borrower to furnish financial information or to permit the inspection of books or records; or

(q) Uninsured loss, theft, damage or destruction of or unauthorized sale of or encumbrance on, any property of the Borrower or the issuance of any judgment, levy, seizure, attachment, foreign attachment, garnishment or injunction upon or against the Borrower or any property of Borrower; or

(r) If the Borrower fails to comply with the terms of the Note and/or the terms of the Loan Agreement.

(s) If, at any time, the Lender believes in good faith that the prospect of payment of any obligation or the performance of any agreement of the Borrower, including but not limited to the Note and this Mortgage, is impaired or there is a change in the condition or affairs (financial or otherwise) of the Borrower that the Lender believes in good faith impairs the Lender's security (if any) or increases its risk, then Lender has the sole and absolute discretion to declare Borrower in default and demand repayment under the terms of the Note.

12. If any monthly payment hereunder or under the terms of the Note executed simultaneously herewith is not made within ten (10) days after the same first becomes due, or if there is a default in any of the other terms and conditions of this Mortgage and the Note executed simultaneously herewith, which default continues after any required notice to cure and such default has not been cured after any applicable grace period then and after the date of such default the Mortgagor shall pay interest at the default rate set forth below together with any prepayment penalty until Mortgagee receives payment of the entire unpaid balance of the indebtedness, at the option of the Lender, at the lowest of the rates set forth below:

(a) At an Annual Percentage Rate, as defined in the Note, equal to 5.00% above the Rate, as defined in the Note, until paid, and whether before or after the entry of any judgment thereon; or

(b) The maximum interest allowable by law.

Hereinafter ("Involuntary Rate").

In no event shall the default interest rate be higher than the maximum interest rate allowed by applicable law.

In addition, if an Event of Default shall occur, the holder of this Note shall have, and shall be entitled to exercise, such rights and remedies as are set forth in the Loan Documents and/or as may be available at law or in equity.

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13. In the event of any default in the performance of any of the Mortgagor's covenants or agreements herein, Mortgagee may, at the option of Mortgagee, pay or perform the same, and the cost thereof, with interest to the date of payment at the Involuntary Rate shall immediately be due from Mortgagor to Mortgagee. Any such payments or cost of performance made or incurred by Mortgagee, together with interest thereon at the Involuntary Rate, to the extent such payments or costs constitute (a) payments made or costs incurred, (b) amounts, costs or charges to which Mortgagee becomes subrogated, upon payment, whether under recognized principals of law or equity, or under express statutory authority or (c) payments made or costs incurred pursuant to the terms of this Mortgage which by statute or judicial interpretation now or hereafter may be permitted to be secured by the lien of this Mortgage without incurring any additional mortgage recording tax, shall be added to the indebtedness secured hereby and shall be secured by this Mortgage whether or not the provision which obligates Mortgagor to make any such payment to Mortgagee specifically so states. Upon an Event of Default under this Mortgage or if the principal sum secured hereby shall not be paid at its maturity, or on its acceleration of any other provision hereof, interest thereon shall be thereafter computed and paid at the Involuntary Rate.

14. The Mortgagor will not use the Mortgaged Premises, or any part thereof for, or allow the same to be used or occupied for any purpose in violation of any certificate of occupancy or other permit, or any law, ordinance, code or regulation of the governmental departments and lawful authorities having jurisdiction over the Mortgaged Premises. The Mortgagor shall comply with any requirement, or order, or notice of violation of law or ordinance, issued by any governmental department claiming Jurisdiction over the Mortgaged Premises, within three months from the issuance thereof.

15. The obligation of this Mortgage and the Note which it is given to secure shall continue until the entire Loan is paid, notwithstanding any action or actions of partial foreclosure which may be brought to recover any amount or for installments of principal, interest, taxes, assessments, water rates, sewer rents or fire insurance premiums due and payable under the provisions of this Mortgage.

16. The Mortgagor warrants that there are, and will be, no liens or encumbrances superior to the lien of this Mortgage, and that there are and will be no other liens or encumbrances in effect with respect to the Mortgaged Premises, or with respect to any of the fixtures, chattels, machinery, equipment, appliances or other articles of personal property now or hereinafter attached to, or used in connection with, the Mortgaged Premises, without the prior written consent of the Mortgagee. Any such lien or encumbrance shall be discharged or satisfied within thirty (30) days after receipt of notice thereof. The failure to discharge or satisfy any such lien or encumbrance within said period shall constitute an Event of Default and the whole of the principal and interest thereon shall become immediately due and payable at the option of the Mortgagee.

17. (a) Mortgagor shall keep the Improvements and Chattels insured for the benefit of Mortgagee in an amount equal to the replacement cost at the time of the loss or a lesser amount with full replacement cost guarantee. The applicable policies shall include (i) coverage against loss or damage by fire, flood, earthquake, underground hazards, collapse and explosion and such other hazards as may be specified at any time by Mortgagee, (ii) replacement cost and agreed amount endorsements or the equivalent thereof (with no reduction for depreciation), an

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endorsement covering the costs of demolition and the increased costs of construction attributable to the enforcement of laws, building codes and/or ordinances, and Builder's Risk Coverage.

(b) Mortgagor shall also maintain: (i) general liability insurance (including contractual liability) covering the Premises and Mortgagor's operations in an amount not less than Two Million Dollars (\$2,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate per location; and (ii) worker's compensation insurance covering all of Mortgagor's contractors or agents situated at the Mortgaged Premises in accordance with statutory requirements of the State of Illinois. In addition, if any underground fuel storage tank is situated at the Mortgaged Premises, then Mortgagor shall maintain, in such amounts as Mortgagee may specify, "Environmental Impairment Liability Insurance" covering the cost of cleanup and/or removal (on or off the Premises) associated with a spill or a leak emanating from such tank.

(c) Mortgagor shall not obtain separate insurance concurrent in form or contributing in the event of loss with that required by this provision, unless: (i) the policies are submitted to Mortgagee for its prior approval; (ii) the insurers thereunder and the terms thereof are acceptable to Mortgagee in accordance with the provision herein, and (iii) Mortgagee is included therein as an additional named insured or mortgagee, with loss payable as is provided in this provision, as the case may be. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is obtained and shall deliver the policy or policies or certificates thereof as provided hereunder.

(d) If the Mortgaged Premises is located in an area that has been, or at any time is, identified by the Secretary of Housing and Urban Development as a flood hazard area, Mortgagor shall keep the Mortgaged Premises, Improvements and Chattels insured against loss by flood in such amount as Mortgagee shall require, or the maximum allowed by law. All proceeds of any such insurance shall be payable to Mortgagee and may be applied as hereinafter set forth.

(e) All insurance required or permitted to be maintained pursuant to this Section 18 shall: (i) be maintained at the sole cost and expense of Mortgagor; (ii) be written in such forms and by such companies as are satisfactory to Mortgagee (each such company, in any event, shall be authorized to do business in the state where the Mortgaged Premises are situated); (iii) contain the standard Illinois State Mortgagee Clause or an equivalent satisfactory to Mortgagee or, with respect to any insurance as to which the foregoing shall not be applicable, provide for Mortgagee to be named as an additional insured; (iv) name Mortgagee as loss payee; (v) include waivers by all insurers of all rights of subrogation against any named or additional insured, the indebtedness secured hereby and the Mortgaged Premises; (vi) except as otherwise agreed to in writing by Mortgagee, provide for no deductible in excess of \$5,000.00 per loss; (vii) provide that no cancellation (including, without limitation, for nonpayment of premiums), reduction in amount or material change in coverage shall be effective until at least thirty (30) days after receipt by Mortgagee of written notice thereof; (viii) provide that no act or omission or negligence of Mortgagor or any other named insured or violation of warranties, declarations or conditions by Mortgagor or any other named insured shall affect or limit the obligation of the insurer to pay the amount of any loss sustained; and (ix) contain such other provisions as Mortgagee may require. Mortgagor shall deliver the original policies of insurance to Mortgagee, but Mortgagee shall

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under no circumstance be deemed to have knowledge of the contents of such policies by reason of its custody thereof. Any insurance required under the terms of this Mortgage may be maintained under a blanket policy with a certificate of insurance furnished to the Mortgagee. Mortgagor shall deliver to Mortgagee new or renewal policies to replace expiring policies at least thirty days before their respective expiration dates. Each such new or renewal policy shall bear a notation by the insurer or its authorized agent evidencing payment of the required premium. If any policy shall be cancelled by the insurer, become void by reason of any act(s) or omission(s) of Mortgagor or any other person or entity or by reason of the impairment of the capital of the insurer thereunder, or if for any reason in Mortgagee's sole discretion said policy shall be come unsatisfactory to Mortgagee, Mortgagor shall immediately procure new or additional insurance satisfactory to Mortgagee. Mortgagor shall pay the premium for any insurance. Mortgagee's approval of any insurance procured by Mortgagor shall not be construed, or relied upon by Mortgagor, as a representation of the solvency of any insurer or the sufficiency of any amount of insurance. If Mortgagor shall fail in a timely manner either to keep in force any insurance required under this Mortgage or to deliver to Mortgagee any policy required hereunder, Mortgagee shall have the right, but shall not be obligated, to remedy any such failure by the expenditure of moneys or otherwise.

(f) Regardless of the types or amounts of insurance required and approved by Mortgagee, Mortgagor shall assign and deliver to Mortgagee all policies or certificates of insurance acquired by Mortgagor to insure against any loss or damage to the Mortgage Premises or any part thereof. Any insurance required under the terms of this Mortgage may be maintained under a blanket policy.

(g) (1) Any moneys received as payment for any loss under any insurance policies maintained by Mortgagor pursuant to the provisions of this Mortgage ("Proceeds") shall be paid to Mortgagee to be held in escrow and to be applied: (i) to the restoration of the buildings and improvements located on the Land, together with all necessary or appropriate building equipment and/or systems to at least their value and condition immediately prior to the casualty (hereinafter referred to collectively as "Restoration"), (ii) and then to the prepayment of the Note without premium provided that no Event of Default has occurred hereunder and no default has otherwise occurred under the terms of this Mortgage or the Note which remains uncured beyond any applicable notice and/or grace period, and that:

- (i) Mortgagor will deliver to Mortgagee an opinion of an architect designated by Mortgagor and reasonably satisfactory to Mortgagee (the "Supervising Architect"), together with such other documentation as Mortgagee may reasonably request, evidencing to the reasonable satisfaction of Mortgagee, that the Restoration may be completed so that the buildings and improvements on the Land shall constitute an architecturally whole and economically feasible building, at least equal in value and condition to the buildings and improvements located on the Land immediately prior to the casualty;
- (ii) in the event that the available Proceeds are not, in Mortgagee's reasonable judgment, sufficient to pay in full the cost of the Restoration, provides Mortgagee with reasonable assurance, or deposits with Mortgagee such

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amount of money as will, in the reasonable opinion of Mortgagee, together with the available Proceeds, constitute sufficient funds for the Restoration;

- (iii) delivers to Mortgagee complete final plans and specifications (the "Plans and Specs") for the Restoration prepared and sealed by the Supervising Architect with evidence satisfactory to Mortgagee of the approval of the Plans and Specs by all governmental authorities whose approval is required;
- (iv) delivers to Mortgagee a written estimate signed by the Supervising Architect, bearing the Supervising Architect's seal, stating the entire cost of completing the Restoration;
- (v) delivers to Mortgagee true copies certified by Mortgagor, or by the Supervising Architect or Mortgagor's general contractor or, if available, the governmental agency having jurisdiction thereof, of all permits and approvals required by law in connection with the commencement and conduct of the Restoration:

(2) If the Proceeds are made available for the Restoration pursuant to the terms hereof, the cost, if any, to Mortgagee of recovering or paying out such Proceeds (including reasonable attorneys' fees and disbursements and reasonable costs incurred by Mortgagee in having the Restoration inspected and the Plans and Specs reviewed by the Supervising Architect) shall be promptly paid to Mortgagee on demand. In the event that the indebtedness is paid as hereinabove provided, then the Proceeds (net of any reimbursable expenses to Mortgagee in accordance with the preceding sentence) shall be disbursed by Mortgagee as the Restoration progresses in accordance with a written agreement between the parties, and any surplus funds shall be paid to the Mortgagor provided the Mortgagor is not in default.

(3) Upon the occurrence of any default under this Mortgage, or upon the failure by Mortgagor promptly to commence following receipt of insurance proceeds or diligently to continue the Restoration, following receipt of insurance proceeds, Mortgagee may apply all or any portion of the Proceeds to the payment of the Note or to the cure of any default under this Mortgage or the Note in such order as Mortgagee shall determine in its sole discretion.

(h) Not less than thirty (30) days prior to the expiration date of each policy required to be furnished by Mortgagor pursuant to the provisions herein, Mortgagor will deliver to Mortgagee a renewal policy or policies marked "premium paid", or accompanied by other evidence of payment satisfactory to Mortgagee, together with a certification of Mortgagor certifying that each of such policies meets all of the requirements of this Article.

(i) In the event of a foreclosure of this Mortgage, the purchaser of the Mortgaged Premises or any part thereof shall succeed to all the rights of Mortgagor, in and to all policies of insurance assigned and delivered (or required to be assigned and delivered) to Mortgagee pursuant to the provisions herein, but not limited to, any rights to the proceeds of insurance and to unearned premiums.

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(j) Mortgagor will not permit any condition to exist on the Mortgaged Premises which would wholly or partially invalidate the insurance required to be furnished by Mortgagor pursuant to the provisions herein.

(k) So long as there is not an Event of Default, payments under any rent loss insurance shall be paid up to ten (10%) percent of the outstanding principal balance of the indebtedness or ten (10%) percent of the amount of the agreed loss, whichever is lower, (i) for payment of the actual monthly total debt service to the Mortgagee, and (ii) to Mortgagor for the actual cost of operating the Mortgaged Premises, then (iii) any surplus thereafter shall be paid to the Mortgagor, so long as the premises has been restored and the Mortgagor is not in default.

(l) In the event that the Mortgagor or any subsequent owner of the Mortgaged Premises shall fail to supply the Mortgagee with a binding fire insurance policy or certificates of insurance under a blanket policy, recognizing the Mortgagee as an interested party, the Mortgagee shall be entitled to place fire insurance on the Mortgaged Premises for its benefit. The premium therefor shall be paid by the Mortgagor or then owner of the Mortgaged Premises. The failure of the Mortgagor to pay such premium within fifteen (15) days after written demand, at the option of the Mortgagee, shall be an Event of Default and the entire unpaid balance of the indebtedness with interest thereon shall become due and payable.

(m) Upon the occurrence of an Event of Default under this Mortgage, which has not been cured, or upon the failure by Mortgagor promptly to commence following receipt of insurance proceeds or diligently to continue the Restoration, following receipt of insurance proceeds, Mortgagee may apply all or any portion of the Proceeds to the payment of the Note or to the cure of any default under this Mortgage or the Note in such order as Mortgagee shall determine in its sole discretion.

18. The Mortgage shall also constitute, and be effective as, a financing statement in accordance with the terms of Uniform Commercial Code Section 9-402 (6) Mortgagor hereby grants, and Mortgagee shall have, a continuing security interest in: (i) all fixtures and articles of personal property now or hereafter used or to be used in the operation of the Mortgaged Premises referred to in this Mortgage or any part thereof and all replacements thereof, and (ii) all accounts, contract rights and general intangibles in connection with Mortgaged Premises, now existing or hereafter arising.

19. Mortgagor shall not, without the prior written consent of Mortgagee, (i) enter into, extend, renew, cancel or terminate any lease or sublease of the Mortgaged Premises or any part thereof, (ii) abridge or otherwise modify any lease or sublease of or affecting the Mortgaged Premises or any part thereof or any of the terms, provisions or covenants thereof and shall not accept prepayments of installments of rent to become due thereunder for any period in excess of one month, without the consent of the Mortgagee.

20. Should the holder hereof commence any action of foreclosure by reason of any Event of Default hereunder, such holder shall thereupon become entitled to, and the Mortgagor and/or other owner of the Mortgaged Premises agrees to pay reasonable attorney's fees, and actual expenses, in addition to and apart from the usual costs and allowances to which the holder hereof may be entitled or awarded under any law or statute applicable to such action.

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21. In any Event of Default herein, which has not been cured, the holder of this Mortgage may, at the holder's option, without notice, make or cause to be made a search of town or municipal records in preparation for the institution of a foreclosure action and take such steps as may be necessary and desirable for that purpose, and the expense so incurred for such purpose or purposes shall become part of the indebtedness secured by this mortgage; and whether such foreclosure is actually instituted and carried to judgment, or is not instituted at all, or after having been instituted is discontinued, the expense so incurred in connection therewith may be added by the holder of this Mortgage to the indebtedness secured by the Mortgage, and shall, at the option of the holder of this Mortgage, become due and payable forthwith.

22. If the Mortgagee employs an attorney to collect any or all of the unpaid indebtedness hereof or to enforce any other provision hereof, other than for the purposes of foreclosure which are otherwise provided for herein, the Mortgagee, in addition to all other costs and fees allowed according to law, shall be reimbursed by the Mortgagor immediately for all reasonable costs and attorney's fees incurred by the Mortgagee and the same shall be secured by this Mortgage.

23. In the event of the foreclosure of this Mortgage, a judgment obtained in such foreclosure action shall, in addition to all other rights and remedies of the Mortgagee, be enforceable against the interest of the Mortgagor in the premiums or proceeds of any insurance policies covering or related to the Mortgaged Premises, any awards payable in connection with any condemnation of the Mortgaged Premises or any part thereof, prepaid taxes, water rates, sewer rents, real estate tax refunds, rents receivable from tenant and occupants of the Mortgaged Premises or any part thereof, and any other rights, privileges, licenses, franchises, claims, causes of action other interests, sums or receivables appurtenant to the Mortgaged Premises.

24. This Mortgage is governed by federal law and the law that applies in the place where the Property is located. If any term of this Mortgage or of the Note conflicts with the law, all other terms of this Mortgage and of the Note will still remain in effect if they can be given effect without the conflicting term. This means that any terms of this Mortgage and of the Note which conflict with the law can be separated from the remaining terms, and the remaining terms will still be enforced.

25. No act, delay, omission or course of dealing between Mortgagor and Mortgagee shall be a waiver of any of the Mortgagee's rights or remedies under this Mortgage, and no waiver, change, modification or discharge in whole or in part of this Mortgage or of any obligation will be effective unless in writing signed by the Mortgagee. A waiver by the Mortgagee of any rights or remedies under the terms of this Mortgage or the Mortgage Note or with respect to any obligation, on any occasion will not be a bar to the exercise of any right or remedy on any subsequent occasion.

26. Mortgagor represents, warrants and covenants that Mortgagor has not used Hazardous Materials (as defined hereinafter) on, from, or affecting the Mortgaged Premises in any manner which violates Federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, and that no prior owner of the Mortgaged Premises or any tenant, subtenant, prior tenant or prior subtenant have used Hazardous Materials on, from, or

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affecting the Mortgaged Premises in any manner which violates Federal, state or local laws, ordinances, rules regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials. Mortgagor shall keep or cause the Mortgaged Premises to be kept free of Hazardous Materials. Without limiting the foregoing, Mortgagor shall not cause or permit the Mortgaged Premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials except in compliance with all applicable Federal, state and local laws or regulations, nor shall Mortgagor cause or permit, as a result of any intentional or unintentional act or omission on the part of the Mortgagor or any tenant or subtenant, a release of hazardous Materials onto the Mortgaged Premises or onto any other property. Mortgagor shall comply with and ensure compliance by all tenants and subtenants with all applicable Federal state and local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and ensure that all tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. Mortgagor shall (a) conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials, on, from or affecting the Mortgaged Premises, (i) in accordance with all applicable Federal, state and local laws, ordinances, rules, regulations, and policies, (ii) to the satisfaction of Mortgagee, and (iii) in accordance with the orders and directives of all Federal, state and local governmental authorities, and (b) defend, indemnify, and hold harmless Mortgagee, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (i) the presence, disposal, release, or threatened release of any Hazardous Materials which are on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials, and/or (iv) any violation of laws, orders, regulations, requirements, or demands of government authorities, or any policies or requirements of Mortgagee, which are based upon or in any way related to such Hazardous Materials including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses. In the event this Mortgage is foreclosed, or Mortgagor tenders a deed in lieu of foreclosure, Mortgagor shall deliver the Mortgaged Premises to Mortgagee free of any and all Hazardous Material so that the conditions of the Mortgaged Property shall conform to all applicable Federal, state and local laws, ordinances, rules or regulations affecting the Mortgaged Premises. For purposes of this paragraph, "Hazardous Materials" includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C Sections 9601, et seq.) and in the regulations adopted and publications promulgated pursuant thereto, or any other Federal, state or local environmental law, ordinance, rule, or regulation. The provisions of this paragraph shall be in addition to any and all other obligations and liabilities Mortgagor may have to Mortgagee at common law.

27. Mortgagor represents, warrants and covenants that: (1) there are no judicial or

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administrative actions, suits or proceedings pending or, to Mortgagor's knowledge, threatened against or affecting Mortgagor or any party in Mortgagor which would materially impair the ability of Mortgagor or such party to fully perform and comply with its obligations hereunder and under the Note, or pending or, to Mortgagor's knowledge, threatened against or affecting the Mortgaged Premises, the Note, this Mortgage and all other instruments executed by Mortgagor securing the payment of the Note constitute the legal, valid and binding obligations of Mortgagor enforceable in accordance with their terms; (2) Mortgagor is now and, after giving effect to this Mortgage, will be in a solvent condition; (3) no bankruptcy or insolvency proceedings are pending or contemplated by or against Mortgagor or any party in Mortgagor; (4) the financial statements of Mortgagor and any party in Mortgagor delivered to Mortgagee are true and correct in all respects, have been prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial condition of Mortgagor, as the case may be, as of the respective dates thereof; (5) no material adverse change has occurred in the financial condition reflected therein since the respective dates thereof; (6) all written reports, statements and other data furnished by Mortgagor to Mortgagee in connection with the loans evidenced by the Note are true and correct in all material respects as of the date made and do not omit to state any fact or circumstance necessary to make the same not misleading; (7) Mortgagor is the lawful owner of good and marketable title to the Mortgaged Premises and has good right and authority to grant a continuing security interest in, bargain, sell, transfer, assign and mortgage the Mortgaged Premises; (8) there is no financing statement covering the Mortgaged Premises or the proceeds thereof on file in any public office except in favor of Mortgagee as secured party; (9) the execution and delivery of this Mortgage and the Note do not contravene, result in a breach of or constitute an Event of Default or any default as it may be defined under any contract, agreement, corporate charter, by-laws, partnership agreement, operating agreement or other instrument or document to which Mortgagor is a party or by which Mortgagor or any of its properties may be bound and do not violate or contravene any law, order, decree, rule or regulation to which Mortgagor is subject; (10) all improvements included in the Mortgaged Premises and the intended use thereof by Mortgagor comply with all applicable restrictive covenants, zoning ordinances and building codes, flood disaster laws, applicable health and environmental laws and regulations and all other applicable laws, rules and regulations; (11) the Mortgaged Premises are served by electric, gas, sewer, water and other utilities required for the use of the Mortgaged Premises as represented by Mortgagor; (12) all streets necessary to serve the Mortgaged Premises for the use represented by Mortgagor, have been completed and are serviceable and have been dedicated and accepted by applicable governmental entities; (13) the Mortgaged Premises are free from damage caused by fire or other casualty and no condemnation or eminent domain proceedings have been commenced with respect to the Mortgaged Premises and, to Mortgagor's knowledge, no such condemnation or eminent domain proceedings are contemplated; (14) there has been no material adverse change in the value or condition (financial or otherwise) of the Mortgaged Premises since the date of Mortgagor's application for this mortgage loan; and (15) all fixtures and articles of personalty attached to the Mortgaged Premises or used or usable in connection with the operation of the Mortgaged Premises, except such as are owned by the tenants of the buildings on the Mortgaged Premises, have been fully paid for and are the property of Mortgagor and are not subject to any conditional bills of sale, chattel mortgages or any other title retention agreement of a similar nature or to any other liens or encumbrances.

28. Except as otherwise provided, whenever pursuant to this Mortgage, Mortgagee exercises

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any right herein granted to Mortgagee to approve or disapprove or consent or refuse consent or to determine that any arrangement or term is satisfactory or unsatisfactory, it is expressly understood and agreed by Mortgagor that any such exercise or determination shall be in the sole and absolute discretion of Mortgagee and shall be binding and conclusive upon Mortgagor.

29. The Borrower will keep and maintain or will cause to be kept and maintained on a fiscal year basis in accordance with generally accepted accounting practices consistently applied proper and accurate books, records and accounts reflecting all of the financial affairs of the Borrower and all items of income and expense in connection with any services, equipment or furnishings provided in connection with the operation of the Mortgaged Premises, whether such income or expense be realized by the Borrower or by any other person whatsoever. The Lender shall have the right from time to time upon reasonable notice at all times during normal business hours to examine such books, records and accounts at the office of the Borrower or other person maintaining such books, records and accounts and to make copies or extracts thereof as the Lender shall desire. The Borrower will furnish the Lender annually, within sixty (60) days next following the end of each fiscal year of the Borrower, with (i) a complete executed copy of a financial statement prepared by and certified to by a duly authorized representative of the Borrower as being true, complete and accurate, covering the operation of the Mortgaged Premises for such fiscal year and containing a fully itemized statement of profit and loss and of surplus and a balance sheet, and otherwise in form and substance satisfactory to the Lender, and (ii) a complete executed copy of a certified financial statement of the Borrower for such fiscal year prepared by borrower and acceptable to the Lender, and certified to by an authorized representative of the Borrower as being true, complete and accurate, and containing a fully itemized statement of profit and loss and of surplus and a balance sheet, and otherwise in form and substance satisfactory to the Lender. Within sixty (60) days after the end of each fiscal year of the Borrower, the Borrower shall furnish to the Lender a certificate signed by a duly authorized representative of the Borrower certifying on the date thereof either that there does or does not exist an event which constitutes, or which upon notice or lapse of time or both would constitute, a default or an Event of Default under this Mortgage and if such default or Event of Default exists, the nature thereof and the period of time it has existed. The Borrower shall furnish to the Lender, within ten (10) days after request, such further detailed information covering the operation of the Mortgaged Premises and the financial affairs of the Borrower, as may be requested by the Lender.

30. WAIVER OF JURY TRIAL; CONSENT TO JURISDICTION; SERVICE OF PROCESS. BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY MATTER RELATING TO, ARISING FROM OR IN CONNECTION WITH THE LOAN DOCUMENTS. BORROWER ALSO CONSENTS TO THE JURISDICTION OF THE COURTS OF THE STATE WHOSE LAWS GOVERN THE LOAN DOCUMENTS AND AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON BORROWER BY MAILING A COPY OF SUCH PROCESS TO BORROWER.

31. PREJUDGMENT REMEDY WAIVER. BORROWER ACKNOWLEDGES THAT THIS TRANSACTION IS A COMMERCIAL TRANSACTION AND THE BORROWER HEREBY WAIVES ANY RIGHT TO NOTICE OR HEARING UNDER THE CONSTITUTION OF THE UNITED STATES OR ANY STATE OR FEDERAL

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LAW, INCLUDING LAWS STATE GENERAL STATUTES, AS NOW OR HEREAFTER AMENDED, OR ANY SUCCESSOR ACT OR ACTS THERETO, AND WAIVES ANY REQUIREMENT FOR THE POSTING OF ANY BOND IN CONNECTION WITH ANY PREJUDGMENT REMEDY SOUGHT. BORROWER WAIVES THE RIGHT TO PRIOR NOTICE AND A HEARING ON THE RIGHT OF THE LENDER TO A PREJUDGMENT REMEDY. A PREJUDGMENT REMEDY ENABLES THE LENDER BY WAY OF ATTACHMENT, FOREIGN ATTACHMENT, GARNISHMENT OR REPLEVIN, TO DEPRIVE THE BORROWER OF, OR EFFECT THE USE, POSSESSION OR ENJOYMENT OF BORROWER OF, ANY OF ITS PROPERTY AT ANY TIME PRIOR TO JUDGMENT WITH ANY LITIGATION INSTITUTED IN CONNECTION WITH THIS NOTE. THE BORROWER AUTHORIZES THE ATTORNEY FOR ANY HOLDER OF THIS NOTE TO ISSUE A WRIT FOR A PREJUDGMENT REMEDY WITHOUT COURT ORDER. BORROWER ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY AFTER CONSULTATION WITH ITS ATTORNEY.

32. If any part or provision of this Agreement is contested or disputed in any manner, the parties hereby agree that this Agreement shall be treated as drafted by both parties.

33. **OPEN-END MORTGAGE AND FUTURE ADVANCES:** This is an "Open-End Mortgage" and the holder hereof shall have all the rights, powers and protection to which the holder of any Open-End Mortgage is entitled under Illinois Law. Upon request the Mortgagee may, in its discretion, make future advances to Mortgagor or on Mortgagor's behalf. Any future advances, and the interest payable thereon, shall be secured by this Mortgage when evidenced by a promissory Note stating that the Note is secured hereby. At no time shall the principal amount of the debt secured by this Mortgage exceed the original principal amount of the Note, nor shall the maturity of and future advance secured hereby extend beyond the date the final payment is due on the Note.

34. If any part or provision of this Agreement is contested or disputed in any manner, the parties hereby agree that this Agreement shall be treated as drafted by both parties.

35. Assignment of Rents and Leases. Mortgagor does hereby assign to Mortgagee all rents, profits and income arising out of any leases now or hereafter executed in accordance with the terms of this instrument and in the event of any default, Mortgagee shall have the right without notice to Mortgagor to demand and receive directly from any lessee all payments then or thereafter due from the lessee to the Mortgagor. Mortgagor shall contemporaneously herewith notify each lessee in writing by certified mail, registered, return receipt requested, of the existence of this instrument and the right of Mortgagee to require the direct payment of rent by such lessee without any concurrence by Mortgagor.

Mortgagor agrees from time to time upon demand of Mortgagee to assign to the Mortgagee any and all leases now or hereafter in existence. Mortgagor does hereby irrevocably appoint Mortgagee as its attorney in fact to execute and deliver any such assignment if Mortgagor shall fail immediately to do so upon demand of the Mortgagee. Mortgagor shall contemporaneously herewith give notice to each lessee of the existence and validity of this instrument and that upon notification from the Mortgagee that said Leases have been assigned to

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Mortgagee, that such Lessee shall recognize Mortgagee as its Lessor. Mortgagor agrees to hold Mortgagee harmless and indemnify against any claim by any Lessee against Mortgagee arising out of any actions taken by Mortgagee, pursuant to the assignment of rent of Lessor.

Mortgagor covenants that in the event it shall enter into any lease hereafter it shall incorporate in such lease a provision whereby the Lessee agrees upon request of the Mortgagee to attorn to the Mortgagee and to recognize the Mortgagee as its Lessor, notwithstanding the foreclosure of this Mortgage, at the request of the Mortgagee. Furthermore, such Lessee shall agree that it will not assert against Mortgagor any claim or demand arising out of any action, omission or default of the Mortgagor prior to the assignment of such Lease and notification thereof by Mortgagee, or cancel, amend or surrender such lease without prior written approval from Mortgagee.

36. Illinois Specific Additions and Modifications.

36 A. Inconsistencies. In the event of any inconsistencies between the terms and conditions of this Section 36 and any other terms and conditions of this Mortgage, the terms and conditions of this Section 36 shall control.

36 B. Business Purpose. Borrower represents that the obligations evidenced by the Note constitute business loans which come within the purview of subparagraph (1)(c) of Section 4 of "an act in relation to the rate of interest and other charges in connection with sales on credit and the lending of money," approved May 24, 1879, as amended (Ill. Rev. Stats., 1981 ed., ch. 17, Sec. 6404(1)(c)).

36 C. Maximum Amount. The maximum amount which may be secured by this Mortgage shall in no event or under any circumstances exceed \$450,000.00.

36 D. Waiver of Jury Trial. THE BORROWER WAIVES TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION, PROCEEDING OR ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS MORTGAGE OR THE FINANCING TRANSACTION OF WHICH THIS MORTGAGE IS A PART OR THE DEFENSE OR ENFORCEMENT OF ANY OF THE SECURED PARTY'S RIGHTS AND REMEDIES IN CONNECTION THEREWITH. THE BORROWER ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY, VOLUNTARILY, WITHOUT DURESS AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATION OF THIS WAIVER WITH ITS ATTORNEY.

36 E. Waiver of Homestead. In accordance with Illinois law, the Borrower hereby releases and waives all rights under and by virtue of the Illinois homestead exemption laws.

36 F. Placement of Collateral Protection Insurance. Unless Borrower provides Lender with evidence of the insurance coverage required by Borrower's agreement with Lender, Lender may purchase insurance at Borrower's expense to protect Lender's interests in Borrower's collateral. This insurance may, but need not, protect Borrower's interests. The coverage that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the collateral. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has

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obtained insurance as required by Borrower's and Lender's agreement. If Lender purchases insurance for the collateral, Borrower will be responsible for the costs of that insurance, including interest and any other charges Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to Borrower's total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance Borrower may be able to obtain on its own.

IN WITNESS WHEREOF, Borrower has executed this Open End Mortgage Deed as of the date first written above, intending it to be a sealed instrument.

IN THE PRESENCE OF:

CHICAGO DREAM HOMES CORPORATION

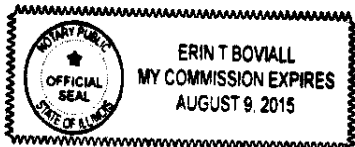
Kipchoge Foster
By: Kipchoge Foster
Its: President

STATE OF ILLINOIS)

) ss: December 20, 2013

COUNTY OF *Cook*)

On this 20th day of December, 2013, personally appeared before me, **Kipchoge Foster**, President of **CHICAGO DREAM HOMES CORPORATION** signer and sealer of the foregoing instrument, and acknowledged the same to be his free act and deed as such President and the free act and deed of said Corporation, before me.



Notary Public

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Schedule A

LEGAL DESCRIPTION

LOT 115 IN HART AND FRANK'S SUBDIVISION OF THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 20, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Address commonly known as:

6544 S. Peoria Street

Chicago, IL 60621

PIN#: 20-20-221-042-0000

Property of Cook County Clerk's Office

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**Schedule B
Copy of the Note**

Property of Cook County Clerk's Office

A large, thick, black scribble consisting of several vertical, wavy lines that completely obscures the text underneath it.

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COMMERCIAL TERM PROMISSORY NOTE

THIS LOAN IS PAYABLE IN FULL AT MATURITY. YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE. LENDER IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. YOU WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER WILLING TO LEND YOU THE MONEY. IF YOU REFINANCE THIS LOAN AT MATURITY, YOU MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF YOU OBTAIN REFINANCING FROM THE SAME LENDER.

\$112,500.00

December 20, 2013

FOR VALUE RECEIVED, the undersigned maker, **CHICAGO DREAM HOMES CORPORATION**, a Illinois Corporation with a mailing address of 621 Dana Court, Naperville, IL 60563 (hereinafter, the "Borrower"), promises to pay to the order of **WDB FUNDING, LLC**, a Limited Liability Company existing under the laws of the State of Delaware with a mailing address of 2691 S. Decker Lake Lane, West Valley City, Utah 84119 (hereinafter called "Lender"), or at such other place as the Lender or subsequent holder of this Note (hereinafter including Lender, the "Holder") shall from time to time designate, the sum of **ONE HUNDRED TWELVE THOUSAND FIVE HUNDRED AND 00/100 (\$112,500.00) DOLLARS** (the "Loan"), pursuant to a Commercial Loan Agreement dated of even date herewith by and between Borrower and the Lender (the "Loan Agreement"), together with interest in arrears on the outstanding principal balance hereof at the rate of **Thirteen (13%) percent per annum** (the "Rate").

Borrower shall make consecutive monthly installments of interest to Holder in the amount of **\$1,218.75** commencing **February 1, 2014** and on the 1st day of each month thereafter until and including **June 1, 2014**. Accrued interest shall be based upon thirty days elapsed over a 360 day year. The entire unpaid principal balance of the Loan, together with accrued interest due thereon, and any other sums remaining due and payable hereunder, shall be paid in full on **June 1, 2014** ("Maturity Date").

Said sums shall be paid together with all taxes levied or assessed on this Note or the debt evidenced hereby against the Holder, and together with all costs, expenses and reasonable attorneys' fees incurred in any action to collect this Note or to realize on any collateral securing this Note or to protect or sustain the lien of the Holder, or in any litigation or controversy arising from or connected with this Note, the Loan Agreement or any other Loan Document as defined in the Loan Agreement.

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

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I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

Notwithstanding the foregoing, in the event Holder shall fail to receive when due any installment of interest and principal due hereunder or upon the occurrence of an Event of Default as defined in the Loan Agreement the entire principal sum with accrued interest thereon due under this Note shall, at the option of Holder, become due and payable forthwith without demand or notice. No failure to exercise such option shall be deemed a waiver on the part of the Holder of any right accruing thereafter. After the occurrence of an Event of Default as provided hereunder or after maturity and including the period after any judgment has been rendered with respect hereto, Borrower agrees that the interest rate on the outstanding principal balance of this Note shall be the rate recited herein plus five (5%) percentage points per annum, or at the maximum rate acceptable under applicable law, whichever is less. Among events constituting an Event of Default and entitling Lender to accelerate the Loan shall be any nonpayment of principal and/or interest on the date it is due.

The following are defaults, the occurrence of which shall cause the unpaid balance and interest thereon to become immediately due and payable (herein "Event of Default"):

- a. if the Borrower or any person who guarantees Borrower's obligation hereunder ("Guarantor") has committed fraud or made a material misrepresentation in connection with the Loan; or
- b. if the Borrower or Guarantor fails to make any of the payments required hereunder or under the Loan Agreement, Open End Mortgage and Security Agreement, Guaranty, Assignment of Leases and Rentals or any other documents executed by Borrower or Guaranty related to the Loan (hereinafter "Loan Documents"); or
- c. if any action of the Borrower or Guarantor, or any failure to act by the Borrower or Guarantor, threatens the Lender's security for the Loan.
- d. another creditor commences an action to take any of the Borrower's or Guarantor's property which is in the Lender's possession and/or upon which the Lender has a lien or security interest and such action is not dismissed within a period of sixty (60) days;
- e. the Borrower is required to have flood, hazard and/or mortgage insurance policies and at any time before the Loan is paid in full the policies are not in effect;
- f. the Borrower fails to pay any taxes, assessments, ground rents or other charges that may be imposed on the Property (as hereinafter defined) and such failure results in a

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- lien being imposed against the Property whether or not such lien claims a priority over the lien created by the Loan Documents;
- g. the Borrower sells or transfers the Property or an interest in the Property or transfers an interest in the borrowing entity;
 - h. the Property is taken by a governmental entity through eminent domain or condemnation;
 - i. if the Borrower fails to comply with the terms of this Note or any of the other Loan Documents and the Borrower does not cure such failure for a period of ten (10) after receipt of written notice;
 - j. Death of the Guarantor;
 - k. any Event of Default under the Loan Agreement shall constitute an Event of Default under this Agreement; or
 - l. If, at any time, the Lender believes in good faith that the prospect of payment of any obligation or the performance of any agreement of the Borrower is impaired, or there is such a change in the condition or affairs (financial or otherwise) of the Borrower the Lender believes in good faith impairs the Lender's security (if any) or increases its risk.

The Borrower and each and every other endorser, guarantor and surety of this Note, and all others who may become liable for all or any part of this obligation, do hereby agree that their liability hereunder shall be joint and several and hereby waive demand, presentment for payment, protest, notice of protest and notice of nonpayment of this Note, and do hereby consent to any number of renewals or extensions of the time of payment hereof, and agree that any such renewal or extension may be without notice to any of said parties and without affecting their liability hereunder, and further consent to the release of any part or parts or all of the security for the payment hereof and to the release of any party or parties liable hereon, all without affecting the liability of the other persons, partnerships or corporations liable for the payment of this Note.

The Borrower hereby gives the Holder a lien and right of setoff for all the Borrower's liabilities to the Holder upon and against the Borrower's deposits, credits and property now or hereafter in the possession or control of the Holder or in transit to it. The Holder may, at any time, or from time to time, apply the same or any part thereof, to any of the Borrower's liabilities to the Holder, though unmaturing, without notice and without first resorting to any other collateral.

Without in any way affecting any other remedy that Holder may have, in the event any payment of principal and interest due hereunder is not received by Holder when the same is due then Borrower agrees to pay Holder a "late charge" equal to five percent (5.0%) of the amount of such late payment, to cover the additional expenses of Holder's handling of such late payment. Such charge shall be made on a monthly basis for each payment and for each month such payment is delinquent.

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WAIVER OF JURY TRIAL; CONSENT TO JURISDICTION; SERVICE OF PROCESS.

BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY MATTER RELATING TO, ARISING FROM OR IN CONNECTION WITH THE LOAN DOCUMENTS. BORROWER ALSO CONSENTS TO THE JURISDICTION OF THE COURTS OF THE STATE WHOSE LAWS GOVERN THE LOAN DOCUMENTS AND AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON BORROWER BY MAILING A COPY OF SUCH PROCESS TO BORROWER.

PREJUDGMENT REMEDY WAIVER.

BORROWER ACKNOWLEDGES THAT THIS TRANSACTION IS A COMMERCIAL TRANSACTION AND THE BORROWER HEREBY WAIVES ANY RIGHT TO NOTICE OR HEARING UNDER THE CONSTITUTION OF THE UNITED STATES OR ANY STATE OR FEDERAL LAW, INCLUDING ILLINOIS GENERAL STATUTES, AS NOW OR HEREAFTER AMENDED, OR ANY SUCCESSOR ACT OR ACTS THERETO, AND WAIVES ANY REQUIREMENT FOR THE POSTING OF ANY BOND IN CONNECTION WITH ANY PREJUDGMENT REMEDY SOUGHT. BORROWER WAIVES THE RIGHT TO PRIOR NOTICE AND A HEARING ON THE RIGHT OF THE LENDER TO A PREJUDGMENT REMEDY. A PREJUDGMENT REMEDY ENABLES THE HOLDER BY WAY OF ATTACHMENT, FOREIGN ATTACHMENT, GARNISHMENT OR REPLEVIN, TO DEPRIVE THE BORROWER OF, OR EFFECT THE USE, POSSESSION OR ENJOYMENT OF BORROWER OF, ANY OF ITS PROPERTY AT ANY TIME PRIOR TO JUDGMENT WITH ANY LITIGATION INSTITUTED IN CONNECTION WITH THIS NOTE. THE BORROWER AUTHORIZES THE ATTORNEY FOR ANY HOLDER OF THIS NOTE TO ISSUE A WRIT FOR A PREJUDGMENT REMEDY WITHOUT COURT ORDER. BORROWER ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY AFTER CONSULTATION WITH ITS ATTORNEY.

This Note is entered into in the State of Illinois and shall be governed by and construed in accordance with the laws of the State of Illinois. Borrower agrees that the Superior Court of the State of Illinois and/or the Federal District Court for the District of State of Illinois shall have jurisdiction over any dispute arising out of this Note, the Commercial Loan Agreement or any Loan Document. Borrower consents to either such forum as Holder may choose.

This Note is secured, *inter alia*, by a first priority mortgage on Borrower's real property located at 6544 S. Peoria, Chicago, IL 60621 and by a security interest in all personal property and business assets of the Borrower and the proceeds and products thereof (collectively, the "Property").

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IN THE PRESENCE OF:

CHICAGO DREAM HOMES CORPORATION

Kipchoge Foster

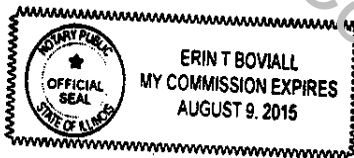
By: **Kipchoge Foster**
Its: **President**

STATE OF ILLINOIS)

COUNTY OF *Cook*)

) ss: December 20, 2013

On this 20th day of December, 2013, personally appeared before me, **Kipchoge Foster**, **President** of **CHICAGO DREAM HOMES CORPORATION** signer and sealer of the foregoing instrument, and acknowledged the same to be his free act and deed as such President and the free act and deed of said Corporation, before me.



[Signature]

Notary Public

Property of Cook County Clerk's Office