

**Illinois Anti-Predatory
Lending Database
Program**

Certificate of Exemption

**Report Mortgage Fraud
800-532-8785**

The property identified as: **PIN: 17-16-111-022-0000**

Address:

Street: 222 South Jefferson Street

Street line 2:

City: Chicago

State: IL

ZIP Code: 60661

Lender: BMO Harris Bank N.A.

Borrower: Human Resources Development Institute, Inc.

Loan / Mortgage Amount: \$6,850,000.00

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

Certificate number: 48370C4B-8D8D-4620-9805-A57042F9C355

Execution date: 12/10/2013

UNOFFICIAL COPY

This instrument was prepared by
and when recorded return to:

Roberts McGivney Zagotta LLC
55 West Monroe Street
Chicago, Illinois 60603
Attn: Nicholas Zagotta

**NOTICE: THIS INSTRUMENT SECURES FUTURE ADVANCES
UNDER A REVOLVING LOAN FACILITY THE PRIORITY OF WHICH
DATE TO THE RECORDING DATE HEREOF. THIS INSTRUMENT
PROVIDES FOR VARIABLE RATES OF INTEREST.**

MORTGAGE AND SECURITY AGREEMENT
WITH ASSIGNMENT OF RENTS

Dated as of

December 10, 2013,

FROM

HUMAN RESOURCES DEVELOPMENT INSTITUTE, INC.,
an Illinois not-for-profit corporation,
as Mortgagor,

TO

BMO HARRIS BANK N.A.

UNOFFICIAL COPY

MORTGAGE AND SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS

This Mortgage and Security Agreement with Assignment of Rents (the "*Mortgage*") dated as of December 10, 2013 from HUMAN RESOURCES DEVELOPMENT INSTITUTE, INC., an Illinois not-for-profit corporation, with its principal place of business and mailing address at 222 S. Jefferson Street, Suite 200, Chicago, Illinois 60661 (hereinafter referred to as "*Mortgagor*"), to and for the benefit of BMO HARRIS BANK N.A., with its principal place of business and mailing address at 111 West Monroe Street, Chicago, Illinois 60603 ("*Bank*");

WITNESSETH THAT:

WHEREAS, Mortgagor and Bank have entered into that certain Credit Agreement dated as of December 10, 2013 (such Credit Agreement, as the same may be amended, modified or restated from time to time, being hereinafter referred to as the "*Loan Agreement*"), pursuant to which Bank has agreed, subject to certain terms and conditions, to make available to Mortgagor a term loan facility in the aggregate amount of \$2,350,000 expressed to mature on _____ 2023, the final maturity of the term loan facility, and a revolving loan facility in a maximum principal amount of \$4,500,000 expressed to mature on _____, 2014, the final maturity of the revolving loan facility, unless either such facility is extended pursuant to the Loan Agreement;

WHEREAS, Mortgagor may from time to time (i) enter into one or more agreements with respect to, among other things, interest rate agreements, swap agreements, cap agreements, collar agreements, floor agreements, exchange agreements, forward contracts, option contracts or similar interest rate hedging arrangements with Bank, or its affiliates, for the purpose of hedging or otherwise protecting against interest rate, foreign currency and/or commodity exposure (such liability being hereinafter referred to as "*Hedging Liability*") and (ii) enter into one or more agreements with Bank, or its affiliates, with respect to the execution or processing of electronic transfer of funds by automatic clearing house transfer, wire transfer or otherwise to or from any deposit account of Mortgagor with the Bank or their affiliates; the acceptance for deposit or the honoring for payment of any check, draft or other item with respect to any such deposit accounts; other treasury, deposit, disbursement, cash management services, commercial credit card and merchant card services afforded to Mortgagor or any subsidiary thereof by the Bank or its affiliates (such liability being hereinafter referred to as "*Bank Product Liability*");

WHEREAS, as a condition to extending credit to Mortgagor under the Loan Agreement or otherwise making financial accommodations available to or for the account of Mortgagor (whether under the Loan Agreement or otherwise), Bank has required, among other things, that Mortgagor grant to Bank a lien on the real property of Mortgagor described herein and to Bank a security interest in the personal property of Mortgagor described herein, in each case subject to the terms and conditions hereof;

NOW, THEREFORE, for and in consideration of the execution and delivery by the Bank of the Loan Agreement, and other good and valuable consideration, receipt whereof is hereby

UNOFFICIAL COPY

acknowledged, in order to secure (i) the payment of all amounts now and from time to time hereafter advanced to or for the account of Mortgagor under the Loan Agreement, including all promissory notes issued, in whole or in part, in extension or renewal thereof or in substitution or replacement therefor, as each of the foregoing may from time to time be amended or modified (the "Note"), together with all interest on all such advances and the payment of all prepayment premiums, fees, costs and expenses from time to time payable under the terms of or otherwise relating to the Loan Agreement or the Note, (ii) the payment of all sums due or owing with respect to the Hedging Liability and Bank Product Liability, (iii) the payment of all other indebtedness, obligations and liabilities which this Mortgage secures pursuant to any of its terms, and (iv) the performance and observance of the covenants and agreements contained in this Mortgage, the Loan Agreement, the Note and any other instrument or document securing any of the foregoing or setting forth terms and conditions applicable thereto (all of such notes and/or agreements evidencing such indebtedness, obligations, and liabilities described in clauses (i), (ii), (iii), and (iv) above or otherwise setting forth the terms and conditions related thereto, and all guaranties and security documents therefore, being hereinafter collectively referred to as the "Loan Documents", and all of such indebtedness, obligations, agreements and liabilities described in clauses (i), (ii), (iii), and (iv) above being hereinafter collectively referred to as the "Secured Indebtedness"), Mortgagor does hereby grant, bargain, sell, convey, mortgage, warrant, assign, and pledge unto Bank, its successors and assigns, and grants to Bank, its successors and assigns a continuing security interest in, all and singular the properties, rights, interests and privileges described in Granting Clauses I, II, III, IV, V, VI, VII and VIII below, all of the same being collectively referred to herein as the "Mortgaged Premises":

GRANTING CLAUSE I

That certain real estate lying and being in Chicago, County of Cook, State of Illinois more particularly described in Schedule I attached hereto and made a part hereof.

GRANTING CLAUSE II

All buildings and improvements of every kind and description heretofore or hereafter erected or placed on the property described in Granting Clause I and all materials intended for construction, reconstruction, alteration and repairs of the buildings and improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the premises immediately upon the delivery thereof to the said real estate, and all fixtures, machinery, apparatus, equipment, fittings and articles of personal property of every kind and nature whatsoever now or hereafter attached to or contained in or used or useful in connection with said real estate and the buildings and improvements now or hereafter located thereon and the operation, maintenance and protection thereof, including but not limited to all machinery, motors, fittings, radiators, awnings, shades, screens, all gas, coal, steam, electric, oil and other heating, cooking, power and lighting apparatus and fixtures, all fire prevention and extinguishing equipment and apparatus, all cooling and ventilating apparatus and systems, all plumbing, incinerating, and sprinkler equipment and fixtures, all elevators and escalators, all communication and electronic monitoring equipment, all window and structural cleaning rigs and all other machinery and equipment of every nature and fixtures and appurtenances thereto and all

UNOFFICIAL COPY

items of furniture, appliances, draperies, carpets, other furnishings, equipment and personal property used or useful in the operation, maintenance and protection of the said real estate and the buildings and improvements now or hereafter located thereon and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said real estate, buildings or improvements in any manner, and all proceeds thereof; it being mutually agreed, intended and declared that all the aforesaid property shall, so far as permitted by law, be deemed to form a part and parcel of the real estate and, for the purpose of this Mortgage, to be real estate and covered by this Mortgage; and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well a security agreement under the provisions of the Uniform Commercial Code of the State of Illinois for the purpose of creating hereby a security interest in said property, which is hereby granted by Mortgagor as debtor to Bank as secured party, securing the Secured Indebtedness. The addresses of Mortgagor (debtor) and Bank (secured party) appear at the beginning hereof.

GRANTING CLAUSE III

All right, title and interest of Mortgagor now owned or hereafter acquired in and to all and singular the estates, tenements, hereditaments, privileges, easements, licenses, franchises, appurtenances and royalties, mineral, oil and water rights belonging or in any wise appertaining to the property described in the preceding Granting Clause I and the buildings and improvements now or hereafter located thereon and the reversions, rents, issues, revenues and profits thereof, including all interest of Mortgagor in all rents, issues and profits of the aforementioned property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money as advanced rent or for security) under any and all leases or subleases and renewals thereof, or under any contracts or options for the sale of all or any part of, said property (including during any period allowed by law for the redemption of said property after any foreclosure or other sale), together with the right, but not the obligation, to collect, receive and receipt for all such rents and other sums and apply them to the Secured Indebtedness and to demand, sue for and recover the same when due or payable; provided that the assignments made hereby shall not impair or diminish the obligations of Mortgagor under the provisions of such leases or other agreements nor shall such obligations be imposed upon Bank. By acceptance of this Mortgage, Bank agrees, not as a limitation or condition hereof, but as a personal covenant available only to Mortgagor that until an Event of Default (as hereinafter defined) shall occur giving Bank the right to foreclose this Mortgage, Mortgagor may collect, receive (but not more than 30 days in advance) and enjoy such rents.

GRANTING CLAUSE IV

All plans, specifications, working drawings and like materials prepared in connection with improvements constituting part of the Mortgaged Premises and owned by Mortgagor, all rights of Mortgagor against vendors or manufacturers in connection with equipment located upon the Mortgaged Premises, whether arising by virtue of warranty or otherwise, all rights against contractors, sub-contractors and materialmen arising in connection with work performed at or on the Mortgaged Premises or with materials furnished for the construction of improvements at or

UNOFFICIAL COPY

on the Mortgaged Premises, and all rights of Mortgagor under contracts to provide any of the foregoing, in each case whether now owned or existing or hereafter arising or acquired.

GRANTING CLAUSE V

All judgments, awards of damages, settlements and other compensation heretofore or hereafter made resulting from condemnation proceedings or the taking of the property described in Granting Clause I or any part thereof or any building or other improvement now or at any time hereafter located thereon or any easement or other appurtenance thereto under the power of eminent domain, or any similar power or right (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for the payment thereof), whether permanent or temporary, or for any damage (whether caused by such taking or otherwise) to said property or any part thereof or the improvements thereon or any part thereof, or to any rights appurtenant thereto, including severance and consequential damage, and any award for change of grade of streets (collectively, "*Condemnation Awards*"); and all right, title and interest in all insurance policies maintained in connection with the property described in Granting Clause I or any part thereof or any building or other improvement now or at any time hereafter located thereon or any easement or other appurtenance thereto or for any damage to said property or any part thereof or the improvements thereon or any part thereof, or to any rights appurtenant thereto.

GRANTING CLAUSE VI

All property and rights, if any, which are by the express provisions of this Mortgage required to be subjected to the lien hereof and any additional property and rights that may from time to time hereafter be subjected to the lien hereof by Mortgagor or by anyone on Mortgagor's behalf.

GRANTING CLAUSE VII

All rights in and to common areas and access roads on adjacent properties heretofore or hereafter granted to Mortgagor and any after-acquired title or reversion in and to the beds of any ways, roads, streets, avenues and alleys adjoining the property described in Granting Clause I or any part thereof.

GRANTING CLAUSE VIII

All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or other liquidated claims, including, without limitation, all proceeds of insurance.

TO HAVE AND TO HOLD the Mortgaged Premises and the properties, rights and privileges hereby granted, bargained, sold, conveyed, mortgaged, warranted, pledged and assigned, unto Bank, its successors and assigns, forever; *provided, however*, that this Mortgage is upon the express condition that if the principal of and interest on the Note shall be paid in full and all other Secured Indebtedness shall be fully paid and performed, all commitments contained

UNOFFICIAL COPY

in the Loan Agreement to extend credit thereunder shall have terminated, then this Mortgage and the estate and rights hereby granted shall cease and this Mortgage shall be released by Bank upon the written request and at the expense of Mortgagor, otherwise to remain in full force and effect.

Mortgagor hereby covenants and agrees with Bank as follows:

1. *Payment of the Secured Indebtedness.* The Secured Indebtedness will be promptly paid as and when the same becomes due.
2. *Further Assurances.* Mortgagor will execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectively the purpose of this Mortgage and, without limiting the foregoing, to make subject to the lien hereof any property agreed to be subjected hereto or covered by the Granting Clauses hereof or intended so to be.
3. *Ownership of Mortgaged Premises.* Mortgagor covenants and warrants that it is lawfully seized of and has good and marketable title to the Mortgaged Premises free and clear of all liens, charges and encumbrances except those exceptions to title listed on Schedule II attached hereto and any other liens, charges and encumbrances permitted under the Loan Agreement (collectively the "*Permitted Exceptions*") and Mortgagor has good right, full power and authority to convey, transfer and mortgage the same to Bank for the uses and purposes set forth in this Mortgage; and Mortgagor will warrant and forever defend the title to the Mortgaged Premises subject to the Permitted Exceptions against all claims and demands whatsoever.
4. *Possession.* Provided no Event of Default has occurred and is continuing hereunder, Mortgagor shall be suffered and permitted to remain in full possession, enjoyment and control of the Mortgaged Premises, subject always to the observance and performance of the terms of this Mortgage.
5. *Payment of Taxes.* Mortgagor shall pay before any penalty attaches, all general taxes and all special taxes, special assessments, water, drainage and sewer charges and all other charges of any kind whatsoever, ordinary or extraordinary, which may be levied, assessed, imposed or charged on or against the Mortgaged Premises or any part thereof and which, if unpaid, might by law become a lien or charge upon the Mortgaged Premises or any part thereof, and shall, upon written request, exhibit to Bank official receipts evidencing such payments, except that, unless and until foreclosure, distraint, sale or other similar proceedings shall have been commenced, no such charge or claim need be paid if being contested (except to the extent any full or partial payment shall be required by law), by appropriate proceedings which shall operate to prevent the collection thereof or the sale or forfeiture of the Mortgaged Premises or any part thereof to satisfy the same, conducted in good faith and with due diligence and if Mortgagor shall have furnished such security, if any, as may be required in the proceedings or requested by Bank.
6. *Recordation.* Mortgagor will cause this Mortgage, all amendments hereto, all deeds of trust supplemental hereto and any financing statement or other notice of a security interest required by Bank at all times to be kept, recorded and filed at its own expense in such manner

UNOFFICIAL COPY

and in such places as may be required by law for the recording and filing or for the rerecording and refileing of a mortgage, security interest, assignment or other lien or charge upon the Mortgaged Premises, or any part thereof, in order fully to preserve and protect the rights of Bank hereunder and, without limiting the foregoing, Mortgagor will pay or reimburse Bank for the payment of any and all taxes, fees or other charges incurred in connection with any such recordation or rerecording, including any documentary stamp tax or tax imposed upon the privilege of having this Mortgage or any instrument issued pursuant hereto recorded.

7. *Insurance.* Mortgagor will, at its expense, keep all buildings, improvements, equipment and other property now or hereafter constituting part of the Mortgaged Premises insured as set forth in Section 8.4 of the Loan Agreement.

UNLESS MORTGAGOR PROVIDES BANK WITH EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY THIS MORTGAGE, BANK MAY PURCHASE INSURANCE AT MORTGAGOR'S EXPENSE TO PROTECT BANK'S INTERESTS IN THE MORTGAGED PREMISES. THIS INSURANCE MAY, BUT NEED NOT, PROTECT MORTGAGOR'S INTERESTS IN THE MORTGAGED PREMISES. THE COVERAGE PURCHASED BY BANK MAY NOT PAY ANY CLAIMS THAT MORTGAGOR MAKES OR ANY CLAIM THAT IS MADE AGAINST MORTGAGOR IN CONNECTION WITH THE MORTGAGED PREMISES. MORTGAGOR MAY LATER CANCEL ANY SUCH INSURANCE PURCHASED BY BANK, BUT ONLY AFTER PROVIDING BANK WITH EVIDENCE THAT MORTGAGOR HAS OBTAINED INSURANCE AS REQUIRED BY THIS MORTGAGE. IF BANK PURCHASES INSURANCE FOR THE MORTGAGED PREMISES, MORTGAGOR WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES THAT BANK 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 THE SECURED INDEBTEDNESS. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE MORTGAGOR MAY BE ABLE TO OBTAIN ON ITS OWN.

8. *Damage to or Destruction of Mortgaged Premises.*

(a) *Notice.* In the case of any material damage to or destruction of all or part of the Mortgaged Premises, the Mortgagor shall promptly give notice thereof to BMO generally describing the nature and extent of such damage or destruction.

(b) *Restoration.* Upon the occurrence of any such damage to or destruction of the Mortgaged Premises, Mortgagor shall, upon demand by Bank, cause same to be restored, replaced or rebuilt as nearly as possible to their value, condition and character immediately prior to such damage or destruction. Such restoration, replacement or rebuilding shall be effected promptly.

(c) *Application of Insurance Proceeds.* Net insurance proceeds received by Bank under the provisions of this Agreement or any instrument supplemental hereto or thereto or any policy or policies of insurance covering the Mortgaged Premises or any part thereof shall be applied by Bank at the option of Bank as and for a prepayment on the Note (whether or not the same are then due or are otherwise adequately secured) or to restoring the Mortgaged Premises (in which event Bank shall not be obligated to see to

UNOFFICIAL COPY

the proper application thereof nor shall the amount so released or used be deemed a payment of the indebtedness evidenced by the Note). If Bank elects to use or Mortgagee is permitted to use insurance proceeds to restore the Mortgaged Premises, Bank may do all necessary acts to accomplish that purpose including using funds deposited by Mortgagee with it and advancing additional funds, all such additional funds to constitute part of the indebtedness secured by this Mortgage. If Bank elects to restore the Mortgaged Premises or elects to make the insurance proceeds available to Mortgagee or Mortgagee is entitled to use the insurance proceeds pursuant to the provisions of this Section 8(c) for the purpose of effecting such a restoration, any excess of insurance proceeds above the amount necessary to complete such restoration shall be applied as and for a prepayment on the Note. Notwithstanding the foregoing provisions, Bank agrees that net insurance proceeds shall be made available to Mortgagee for the restoration of the portion of the Mortgaged Premises damaged or destroyed if the following conditions are satisfied: (i) Mortgagee provides Bank with evidence reasonably satisfactory to it that Mortgagee has cash resources sufficient to pay its obligations during the restoration period (including its obligation to pay interest on the Loans during the period of restoration); (ii) no Default or Event of Default shall have occurred and be continuing (and if such an event shall occur during restoration Bank may, at its election, apply any insurance proceeds then remaining in Bank's hands to the reduction of the indebtedness evidenced by the Note and the other indebtedness secured by this Mortgage), (iii) Mortgagee shall have submitted to Bank plans and specifications for the restoration which shall be reasonably satisfactory to Bank; (iv) Mortgagee shall have submitted to Bank fixed price or guaranteed maximum price contracts with good and responsible contractors and materialmen covering all work and materials necessary to complete restoration and providing for a total completion price not in excess of the amount of insurance proceeds available for restoration, or, if a deficiency shall exist, Mortgagee shall have deposited the amount of such deficiency with Bank to be released by Bank, subject to the conditions precedent set forth herein, to pay for the costs of reconstruction; (v) the restoration will, in the reasonable judgment of Bank, be completed not later than 180 days after the date of the occurrence of such damage or destruction; and (vi) Mortgagee shall have obtained a waiver of the right of subrogation from any insurer under such policies of insurance who at that time claims that no liability exists as to Mortgagee or the insured under such policies. Any insurance proceeds to be released pursuant to the foregoing provisions shall at the option of Bank be disbursed from time to time at reasonable intervals as restoration progresses to pay for restoration work completed and in place and such disbursements may at Bank's option be made directly to Mortgagee or to or through any contractor or materialman to whom payment is due or to or through a construction escrow to be maintained by a title company acceptable to Bank. Bank may impose such further reasonable conditions upon the release of insurance proceeds (including the receipt of title insurance) as are customarily imposed by prudent construction lenders to insure the completion of the restoration work free and clear of all liens or claims for lien. All title insurance charges and other reasonable costs and expenses in connection with the release of such insurance proceeds shall be promptly paid by Mortgagee and if not so paid shall constitute so much additional indebtedness secured by this Mortgage to be payable upon demand with interest at the Default Rate. Bank may deduct any such costs and expenses from insurance proceeds at any time in its possession.

UNOFFICIAL COPY

9. *Eminent Domain.* Mortgagor acknowledges that Condemnation Awards have been assigned to Bank, which awards Bank is hereby irrevocably authorized to collect and receive, and to give appropriate receipts and acquittances therefor, and, at Bank's option, to apply the same toward the prepayment of the Secured Indebtedness in such order of application as Bank may elect and whether or not the same may then be due and payable or otherwise adequately secured and any amounts not so applied may held as collateral security therefor. Mortgagor covenants and agrees that Mortgagor will give Bank prompt written notice of the actual or written, threatened commencement of any proceedings under condemnation or eminent domain affecting all or any part of the Mortgaged Premises including any easement therein or appurtenance thereof or severance and consequential damage and change in grade of streets, and will deliver to Bank copies of any and all papers served in connection with any such proceedings. Mortgagor further covenants and agrees to make, execute and deliver to Bank, at any time or times upon request, free, clear and discharged of any encumbrances of any kind whatsoever, any and all further assignments and/or instruments deemed reasonably necessary by Bank for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter to be made to Mortgagor for any taking, either permanent or temporary, under any such proceeding.

10. *Construction, Repair, Waste, Etc.* Mortgagor agrees (i) that, except as required by law and 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, no building or other improvement on the Mortgaged Premises and constituting a part thereof shall be materially altered, removed or demolished nor shall any fixtures or appliances on, in or about said buildings or improvements be severed, removed, sold or mortgaged, without the consent of Bank, and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered hereby, Mortgagor covenants that the same will be replaced promptly by similar fixtures, chattels and articles of personal property at least equal in quality and condition to those replaced, free from any security interest in or encumbrance thereon or reservation of title thereto; (ii) to permit, commit or suffer no waste, impairment or deterioration of the Mortgaged Premises or any part thereof; (iii) to keep and maintain said Mortgaged Premises and every part thereof in good and first class repair and condition; (iv) to effect such repairs as Bank may reasonably require and from time to time to make all needful and proper replacements and additions so that said buildings, fixtures, machinery and appurtenances will, at all times, be in good and first class condition, fit and proper for the respective purposes for which they were originally erected or installed; (v) to materially comply with all statutes, orders, requirements or decrees relating to the Mortgaged Premises by any federal, state or municipal authority; and (vi) to observe and comply with all conditions and requirements reasonably necessary to preserve and extend any and all rights, licenses, permits (including, but not limited to, zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions which are applicable to the Mortgaged Premises or which have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Mortgaged Premises or any part thereof and not to initiate or acquiesce in any changes to or terminations of any of the foregoing or of zoning classifications affecting the use to which the Mortgaged Premises or any part thereof may be put without the prior written consent of Bank.

UNOFFICIAL COPY

11. *Liens and Encumbrances.* Mortgagor will not, without the prior written consent of Bank, directly or indirectly, create or suffer to be created or to remain and will discharge or promptly cause to be discharged any mortgage, lien, encumbrance or charge on, pledge of, or conditional sale or other title retention agreement with respect to, the Mortgaged Premises or any part thereof, whether superior or subordinate to the lien hereof, except for this Mortgage and the Permitted Exceptions.

12. *Right to Perform Mortgagor's Covenants, Etc.* If an Event of Default has occurred and is continuing, Bank, without waiving or releasing any obligation or default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of Mortgagor, and may enter upon the Mortgaged Premises or any part thereof for such purpose and take all such action thereon as, in the opinion of Bank, may be reasonably necessary or appropriate therefor. All sums so paid by Bank and all reasonable costs and expenses (including, without limitation, attorneys' fees and expenses) so incurred, together with interest thereon from the date of payment or incurrence at the Default Rate, shall constitute so much additional Secured Indebtedness and shall be paid by Mortgagor to Bank, as the case may be, on demand. Bank in making any payment authorized under this Section relating to taxes or assessments may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien or title or claim thereof. Bank, in performing any act hereunder, shall be the sole judge of whether Mortgagor is required to perform same under the terms of this Mortgage.

13. *After-Acquired Property.* Any and all property hereafter acquired which is of the kind or nature herein provided, or intended to be and become subject to the lien hereof, shall *ipso facto*, and without any further conveyance, assignment or act on the part of Mortgagor, become and be subject to the lien of this Mortgage as fully and completely as though specifically described herein; but nevertheless Mortgagor shall from time to time, if requested by Bank, execute and deliver any and all such further assurances, conveyances, and assignments as Bank may reasonably require for the purpose of expressly and specifically subjecting to the lien of this Mortgage all such property.

14. *Inspection by Bank.* Bank shall have the right, after reasonable notice to Mortgagor, to inspect the Mortgaged Premises, and access thereto shall be permitted for that purpose.

15. *Subrogation.* Mortgagor acknowledges and agrees that Bank shall be subrogated to any lien discharged out of the proceeds of any credit extended under the Loan Documents or out of any advance by Bank hereunder, irrespective of whether or not any such lien may have been released of record.

16. *Events of Default.* Any one or more of the following shall constitute an "Event of Default" hereunder:

- (a) an "Event of Default" (as defined therein) shall occur under the Loan Agreement; or

UNOFFICIAL COPY

(b) the Mortgaged Premises 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 free of any lien, charge or encumbrance other than the lien hereof; or

(c) any indebtedness secured by a lien or charge on the Mortgaged Premises 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; or

(d) the Mortgaged Premises is abandoned.

For purposes of this Mortgage, the Mortgaged Premises shall be deemed to have been sold, transferred or conveyed upon the occurrence of a Change of Control, as defined in the Loan Agreement.

17. *Remedies.* When any Event of Default has happened and is continuing (regardless of the pendency of any proceeding which has or might have the effect of preventing Mortgagor from complying with the terms of this instrument and of the adequacy of the security for the Secured Indebtedness) and in addition to such other rights as may be available under applicable law, but subject at all times to any mandatory legal requirements:

(a) *Acceleration.* Bank may, by written notice to Mortgagor, declare the Note and all unpaid Secured Indebtedness, to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without other notice or demand of any kind.

(b) *Uniform Commercial Code.* Bank shall, with respect to any part of the Mortgaged Premises constituting property of the type in respect of which realization on a lien or security interest granted therein is governed by the Uniform Commercial Code, have all the rights, options and remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation, the right to the possession of any such property, or any part thereof, and the right to enter without legal process any premises where any such property may be found. Any requirement of said Uniform Commercial Code for reasonable notification shall be met by mailing written notice to Mortgagor at its address above set forth at least ten (10) days prior to the sale or other event for which such notice is required. The costs and expenses of retaking, selling, and otherwise disposing of said property, including attorneys' fees and legal expenses incurred in connection therewith, shall constitute so much additional Secured Indebtedness and shall be payable upon demand with interest at the Default Rate.

(c) *Foreclosure.* At the option of Bank, this Mortgage may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property.

UNOFFICIAL COPY

Bank shall also have all other rights and remedies available to it hereunder and at law or in equity, specifically including but not limited to those described in the Illinois Mortgage Foreclosure Law (the "Act"), 735 ILCS 5/15-1101 et seq., and with respect to such Act, Mortgagor agrees and covenants that:

(i) Bank shall have the benefit of all of the provisions of the Act, including all amendments thereto which may become effective from time to time after the date hereof. In the event any provision of the Act which is specifically referred to herein may be repealed, Bank shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference. If any provision in this Mortgage shall be inconsistent with any provision of the Act, 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 Bank (including Bank acting as a mortgagee-in-possession) or a receiver appointed pursuant to this Mortgage any powers, rights or remedies prior to, upon or following the occurrence of an Event of Default which are more limited than the powers, rights or remedies that would otherwise be vested in Bank or in such receiver under the Act in the absence of said provision, Bank and such receiver shall be vested with the powers, rights and remedies granted in the Act to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Bank which are of the type referred to in Section 5/15-1510 or 5/15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated specifically in this Mortgage, shall be added to the indebtedness secured hereby and/or by the judgment of foreclosure.

(ii) In addition to any provision of this Mortgage authorizing Bank to take or be placed in possession of the Property, or for the appointment of a receiver, Bank shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Act, to be placed in the possession of the Property or at its request to have a receiver appointed, and such receiver, or Bank, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities, and duties and provisions for in Sections 15-1701 and 15-1703 of the Act.

(iii) Mortgagor acknowledges that the Property does not constitute agricultural real estate, as said term is defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act.

(d) *Appointment of Receiver.* Bank shall, as a matter of right, without notice and without giving bond to Mortgagor or anyone claiming by, under or through it, and without regard to the solvency or insolvency of Mortgagor or the then value of the Mortgaged Premises, be entitled to have a receiver appointed of all or any part of the Mortgaged Premises and the rents, issues and profits thereof, with such power as the court making such appointment shall confer, and Mortgagor hereby consents to the appointment of such receiver and shall not oppose any such appointment. Any such receiver may, to the extent permitted under applicable law, without notice, enter upon and

UNOFFICIAL COPY

take possession of the Mortgaged Premises or any part thereof by force, summary proceedings, ejectment or otherwise, and may remove Mortgagor or other persons and any and all property therefrom, and may hold, operate and manage the same and receive all earnings, income, rents, issues and proceeds accruing with respect thereto or any part thereof, whether during the pendency of any foreclosure or otherwise or until any right of redemption shall expire or otherwise.

(e) *Taking Possession, Collecting Rents, Etc.* Bank may enter and take possession of the Mortgaged Premises or any part thereof and manage, operate, insure, repair and improve the same and take any action which, in Bank's judgment, is necessary or proper to conserve the value of the Mortgaged Premises. Bank may also take possession of, and for these purposes use, any and all personal property contained in the Mortgaged Premises and used in the operation, rental or leasing thereof or any part thereof. Bank shall be entitled to collect and receive all earnings, revenues, rents, issues and profits of the Mortgaged Premises or any part thereof (and for such purpose Mortgagor does hereby irrevocably constitute and appoint Bank its true and lawful attorney-in-fact for it and in its name, place and stead to receive, collect and receipt for all of the foregoing, Mortgagor irrevocably acknowledging that any payment made to Bank hereunder shall be a good receipt and acquittance against Mortgagor to the extent so made) and to apply same to the reduction of the Secured Indebtedness. The right to enter and take possession of the Mortgaged Premises and use any personal property therein, to manage, operate and conserve the same, and to collect the rents, issues and profits thereof, shall be in addition to all other rights or remedies of Bank hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The reasonable costs and expenses (including any receiver's fees, counsels' fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be so much additional Secured Indebtedness which Mortgagor promises to pay upon demand together with interest at the Default Rate. Bank shall not be liable to account to Mortgagor for any action taken pursuant hereto other than to account for any rents actually received by Bank. Without taking possession of the Mortgaged Premises, Bank may, in the event the Mortgaged Premises becomes vacant or is abandoned, take such steps as it deems reasonably appropriate to protect and secure the Mortgaged Premises (including hiring watchmen therefor) and all costs incurred in so doing shall constitute so much additional Secured Indebtedness payable upon demand with interest thereon at the Default Rate.

18. *Waiver of Right to Redeem From Sale — Waiver of Appraisalment, Valuation, Etc.* Mortgagor shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "*Moratorium Laws*," now existing or hereafter enacted in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Mortgaged Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Premises sold as an entirety. In the event of any sale made under or by virtue of this Mortgage, the whole of the Mortgaged Premises may be sold in one parcel as an entirety or in separate lots or parcels at the same or different times, all as the Bank may determine. Bank shall have the right to become the purchaser at any sale made under

UNOFFICIAL COPY

or by virtue of this Mortgage and Bank so purchasing at any such sale shall have the right to be credited upon the amount of the bid made therefor by Bank with the amount payable to Bank out of the net proceeds of such sale. In the event of any such sale, the Note and the other Secured Indebtedness, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. Mortgagor hereby waives any and all rights of redemption prior to or from sale under any order or decree of foreclosure pursuant to rights herein granted, on behalf of Mortgagor, and each and every person acquiring any interest in, or title to the Mortgaged Premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by applicable law.

19. *Costs and Expenses of Foreclosure.* In any suit to foreclose the lien hereof there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Bank for attorneys' fees, appraisers' fees, environmental auditors' fees, outlays for documentary and expert evidence, stenographic charges, publication costs and costs (which may be estimated as the items to be expended after the entry of the decree) of procuring all such abstracts of title, title searches and examination, guarantee policies and similar data and assurances with respect to title as Bank may deem to be reasonably necessary either to prosecute any foreclosure action or to evidence to the bidder at any sale pursuant thereto the true condition of the title to or the value of the Mortgaged Premises, all of which expenditures shall become so much additional Secured Indebtedness which Mortgagor agrees to pay and all of such shall be immediately due and payable with interest thereon from the date of expenditure until paid at the Default Rate.

20. *Application of Proceeds.* The proceeds of any foreclosure or other sale of the Mortgaged Premises or of any sale of property pursuant to Section 17(b) hereof shall be distributed in the following order of priority: First, on account of all costs and expenses incident to the foreclosure or other proceedings including all such items as are mentioned in Sections 17(b) and 19 hereof; Second, to all other items which under the terms hereof constitute Secured Indebtedness to be applied in such order and manner as Bank shall determine pursuant to the terms of the Loan Agreement, with any overage to whomsoever Bank shall reasonably determine to be lawfully entitled to the same.

21. *Deficiency Decree.* If at any foreclosure proceeding the Mortgaged Premises shall be sold for a sum less than the total amount of indebtedness for which judgment is therein given, the judgment creditor shall be entitled to the entry of a deficiency decree against Mortgagor and against the property of Mortgagor for the amount of such deficiency; and Mortgagor does hereby irrevocably consent to the appointment of a receiver for the property of Mortgagor until such deficiency decree is satisfied in full.

22. *Bank's Remedies Cumulative — No Waiver.* No remedy or right of Bank shall be exclusive of any other right or remedy but shall be cumulative and in addition to every other remedy or right now or hereafter existing at law or in equity or by statute or otherwise. No delay in the exercise or omission to exercise any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature. Every such

UNOFFICIAL COPY

remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Bank.

23. *Bank Party to Suits.* If Bank shall be made a party to or shall intervene in any action or proceeding affecting the Mortgaged Premises or the title thereto or the interest of Bank under this Mortgage (including probate and bankruptcy proceedings), or if Bank or employs an attorney to collect any or all of the Secured Indebtedness or to enforce any of the terms hereof or realize hereupon or to protect the lien hereof, or if Bank shall incur any costs or expenses in preparation for the commencement of any foreclosure proceedings or for the defense of any threatened suit or proceeding which may affect the Mortgaged Premises or the security hereof, whether or not any such foreclosure or other suit or proceeding shall be actually commenced, then in any such case, Mortgagor agrees to pay to Bank, promptly upon demand, all reasonable costs, charges, expenses and attorney's fees incurred by Bank in any such case, and the same shall constitute so much additional Secured Indebtedness payable upon demand with interest at the Default Rate.

24. *Modifications Not to Affect Lien.* Bank, without notice to anyone (except as required by the Loan Agreement), and without regard to the consideration, if any, paid therefor, or the presence of other liens on the Mortgaged Premises, may release any part of the Mortgaged Premises or any person liable for any of the Secured Indebtedness, may extend the time of payment of any of the Secured Indebtedness and may grant waivers or other indulgences with respect hereto and thereto, and may agree with Mortgagor to modifications to the terms and conditions contained herein or otherwise applicable to any of the Secured Indebtedness (including modifications in the rates of interest applicable thereto), without in any way affecting or impairing the liability of any party liable upon any of the Secured Indebtedness or the priority of the lien of this Mortgage upon all of the Mortgaged Premises not expressly released, and any party acquiring any direct or indirect interest in the Mortgaged Premises shall take same subject to all of the provisions hereof.

25. *Notices.* All communications provided for herein shall be in writing and shall be deemed to have been given when delivered personally or mailed by first class mail, postage prepaid, addressed, if to Mortgagor, Bank at their addresses as shown at the beginning of this Mortgage or at such other address as shall be designated by any such party in a written notice given to such other such party pursuant to this Section.

26. *Security Agreement.* This instrument constitutes a Security Agreement with respect to all personal property in which Bank is granted a security interest hereunder, and Bank shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as well as all other rights and remedies available at law or in equity. Mortgagor hereby agrees to execute and deliver on demand and hereby irrevocably constitute and appoint Bank the attorney-in-fact of the Mortgagor to execute, deliver and, if appropriate, to file with the appropriate filing officer or office such security agreements, financing statements, continuation statements or other instruments as Bank may request or require in order to impose, perfect or continue the perfection of the lien or security interest created hereby. Upon the occurrence of an Event of Default hereunder, Bank shall have the right to cause any of the Mortgaged Premises which is personal property and subject to the security interest of Bank hereunder to be sold at any one or more public or private sales as permitted by applicable law, and Bank shall further have

UNOFFICIAL COPY

all other rights and remedies, whether at law, in equity, or by statute, as are available to secured creditors under applicable law. Any such disposition may be conducted by an employee or agent of Bank. Any person, including Bank, shall be eligible to purchase any part or all of such property at any such disposition.

27. *Future Advances.* This Mortgage is given to secure, among other things, future advances made or to be made pursuant to the Loan Agreement and shall secure not only presently existing Secured Indebtedness under the Loan Documents but also obligatory future advances to the same extent as if such obligatory future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage and although there may be no Secured Indebtedness outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all Secured Indebtedness, including obligatory future advances, from the time of its filing for record in the recorder's or registrar's office in the county in which the Mortgaged Premises are located. The total amount of Secured Indebtedness may increase or decrease from time to time, but the total unpaid balance of Secured Indebtedness (including disbursements which Bank may make under this Mortgage, the Loan Documents or any other documents related thereto) at any one time outstanding shall not exceed a maximum principal amount of Thirteen Million Seven Hundred Thousand Dollars (\$13,700,000), plus interest thereon and any disbursements made for payment of taxes, special assessments or insurance on the Mortgaged Premises and interest on such disbursements (all such indebtedness being hereinafter referred to as the "*Maximum Amount*"). This Mortgage shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Mortgaged Premises, to the extent of the Maximum Amount.

28. *Protective Advances.* All advances, disbursements and expenditures made by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Act (collectively "*Protective Advances*"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

(a) all advances by Mortgagee in accordance with the terms of this Mortgage to: (i) preserve or maintain, repair, restore or rebuild the improvements upon the Mortgaged Premises; (ii) preserve the lien of this Mortgage or the priority thereof; or (iii) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 5/15-1302 of the Act;

(b) payments by Mortgagee of: (i) when due installments of principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance; (ii) when due installments of real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the mortgaged real estate or any part thereof; (iii) other obligations authorized by this Mortgage; or (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 5/15-1505 of the Act;

UNOFFICIAL COPY

(c) advances by Mortgagee in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(d) attorneys' fees and other costs incurred: (i) in connection with the foreclosure of this Mortgage as referred to in Section 5/15-1504(d) and 5/15-1510 of the Act; (ii) in connection with any action, suit or proceeding brought by or against Mortgagee for the enforcement of this Mortgage or arising from the interest of Mortgagee hereunder; or (iii) in the preparation for the commencement or defense of any such foreclosure or other action;

(e) Mortgagee's fees and costs, including reasonable attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 5/15-1503 of the Act;

(f) advances of any amount required to make up a deficiency in deposits for installments of taxes and assessments and insurance premiums as may be authorized by this Mortgage;

(g) expenses deductible from proceeds of sale as referred to in Subsections (a) and (b) of Section 5/15-1512 of the Act;

(h) expenses incurred and expenditures made by Mortgagee for any one or more of the following: (i) premiums for casualty and liability insurance paid by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or mortgagee takes possession of the mortgaged real estate imposed by Subsection (c)(1) of Section 5/151704 of the Act; (ii) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (iii) payments required or deemed by Mortgagee to be for the benefit of the Mortgaged Premises under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the mortgaged real estate; (iv) shared or common expense assessments payable to any association or corporation in which the owner of the mortgaged real estate is a member in any way affecting the mortgaged real estate; and (v) pursuant to any lease or other agreement for occupancy of the mortgaged real estate.

All Protective Advances shall be so much additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the Default Interest Rate. This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Subsection (b)(10) of Section 5/15-1302 of the Act. All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in:

(i) determination of the amount of indebtedness secured by this Mortgage at any time;

UNOFFICIAL COPY

- (ii) the indebtedness found due and owing to Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;
- (iii) determination of amounts deductible from sale proceeds pursuant to Section 5/15-1512 of the Act;
- (iv) application of income in the hands of any receiver or Mortgagee in possession; and
- (v) computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Section 5/15-1508 and Section 5/15-1511 of the Act.

29. *Other Security Documents.* Mortgagor acknowledges that this Mortgage is one of several security documents (the aforesaid, other than this Mortgage, being together called the "Other Security Documents") that secure the Secured Indebtedness or portions thereof. Mortgagor agrees that the lien of this Mortgage shall be absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever of Bank or any other holder of any of the Secured Indebtedness, and without limiting the generality of the foregoing, the lien and security hereof shall not be impaired by any acceptance by Bank or any other holder of any of the Secured Indebtedness of any security for or guarantors upon any of the Secured Indebtedness or by any failure, neglect or omission on the part of Bank or any other holder of any of the Secured Indebtedness to realize upon or protect any of the Secured Indebtedness or any collateral or security therefor including the Other Security Documents. The lien and security interest hereof shall not in any manner be impaired or affected by (and Bank, without notice to anyone, is hereby authorized to make from time to time) any release (except as to the property released), sale, pledge, surrender, compromise, settlement, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or disposition of any of the Secured Indebtedness, or of any of the collateral or security therefor, including, without limitation, the Other Security Documents or of any guaranty thereof, or of any instrument or agreement setting forth the terms and conditions pertaining to any of the foregoing. Bank may at its discretion foreclose or exercise any other remedy available to it under any or all of the Other Security Documents without first exercising or enforcing any of its right and remedies hereunder. Such exercise of Bank's rights and remedies under any or all of the Other Security Documents shall not in any manner impair the Secured Indebtedness, except to the extent of payment, or the lien of this Mortgage and any exercise of the rights or remedies of Bank hereunder shall not impair the lien of any of the Other Security Documents or any of Bank's rights and remedies thereunder. Mortgagor specifically consents and agrees that Bank may exercise its rights and remedies hereunder and under the Other Security Documents separately or concurrently and in any order that it may deem appropriate.

30. *Recovery Limitation.* Notwithstanding anything in this Mortgage to the contrary, the right of recovery against Mortgagor under this Mortgage shall not exceed \$1.00 less than the lowest amount which would render Mortgagor's obligations under this Mortgage void or voidable under applicable law, including fraudulent conveyance law.

UNOFFICIAL COPY

31. *Default Rate.* For purposes of this Mortgage, the term “*Default Rate*” shall have the meaning set forth in the Loan Agreement

32. *Governing Law.* The creation of this Mortgage, the perfection of the lien and security interest in the Mortgaged Premises, and the rights and remedies of Bank with respect to the Mortgaged Premises, as provided herein and by the laws of the state in which the Mortgaged Premises is located, shall be governed by and construed in accordance with the internal laws of the state in which the Mortgaged Premises are located without regard to principles of conflicts of law. Otherwise, all other obligations of Mortgagor (including, but not limited to, the liability of Mortgagor for any deficiency following a foreclosure of all or any part of the Mortgaged Premises) shall be governed by and construed in accordance with the internal laws of the State of Illinois without regard to principles of conflicts of laws, such state being the state where such documents were executed and delivered.

33. *Partial Invalidity.* All rights, powers and remedies provided herein are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Mortgage shall be held to be invalid, illegal or unenforceable, the validity and enforceability of the other terms of this Mortgage shall in no way be affected thereby.

34. *Successors and Assigns.* Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Mortgage contained by or on behalf of Mortgagor, or by or on behalf of Bank, shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

35. *Headings.* The headings in this instrument are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

36. *Changes, Etc.* This instrument and the provisions hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

37. *No Liability on Bank.* Notwithstanding anything contained herein, this Mortgage is only intended as security for the Secured Indebtedness, and Bank shall not be obligated to perform or discharge, and Bank does not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor with respect to any of the Mortgaged Premises. No liability shall be enforced or asserted against Bank in its exercise of the powers herein granted to it, and Mortgagor expressly waives and releases any such liability. Mortgagor shall and does hereby agree to indemnify and hold Bank harmless of and from any and all liability, loss or damage which any of them may or might incur under or by reason of the exercise of their respective rights hereunder and of and from any and all claims and demands whatsoever which may be asserted against any of them by reason of any alleged obligations or undertakings on any or their parts to perform or discharge any of the terms, covenants or agreements of Mortgagor contained herein or with respect to any of the Mortgaged Premises, except in the case of actions by the Bank that constitute gross negligence or willful misconduct. Bank shall not have

UNOFFICIAL COPY

responsibility for the control, care, management or repair of the Mortgaged Premises, nor shall it be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Premises resulting in loss or injury or death to any licensee, employee, tenant or stranger. Without limiting the foregoing, Bank shall not be responsible for any recitals herein or for insuring the Mortgaged Premises, or for the recording, filing or refileing of this Mortgage; nor shall the Bank be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Mortgagor contained herein.

38. *Default by Bank.* Bank shall not be answerable for the default or misconduct of any agent or attorney appointed in pursuance hereof if such agent or attorney shall have been selected with reasonable care, or for anything whatsoever in connection with this Mortgage or the Secured Indebtedness, except for its own willful misconduct or gross negligence, nor shall Bank be under any obligation to take any action toward the execution or enforcement of the trusts hereby created which in its opinion shall be likely to involve expense or liability unless indemnified to its complete satisfaction by the holder or holders of the Secured Indebtedness and Bank shall have the right to require security for any such indemnity which is satisfactory to it.

39. *Waiver of Jury Trial.* MORTGAGOR HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY ON ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS MORTGAGE, ANY OTHER LOAN DOCUMENT OR THE TRANSACTION CONTEMPLATED HEREBY OR THEREBY.

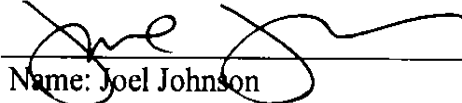
40. *Business Loan.* The Mortgagor declares, represents, certifies and agrees that the proceeds of the Note will be used solely for business purposes and that the loan is exempt from interest limitations pursuant to the provisions of 815 ILC 205/4 and is an exempted transaction under the Truth in Lending Act, 15 U.S.C. Section 1601 et seq.

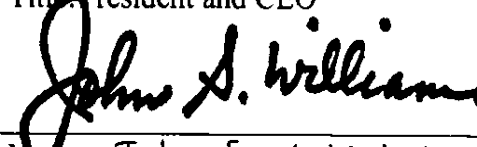
[SIGNATURE PAGE TO FOLLOW]

UNOFFICIAL COPY

IN WITNESS WHEREOF, Mortgagor has caused these presents to be signed and sealed the day and year first above written.

HUMAN RESOURCES DEVELOPMENT
INSTITUTE, INC.

By: 
Name: Joel Johnson
Title: President and CEO

By: 
Name: John S. Williams
Title: Chair Finance Committee

Property of Cook County Clerk's Office

UNOFFICIAL COPY

STATE OF Illinois)
) SS
COUNTY OF Cook)

The foregoing instrument was acknowledged before me this 10th day of December, 2013, by Joel Johnson, President and CEO of Human Resources Development Institute, Inc., an Illinois not-for-profit corporation, on behalf of said corporation.

Robert S. Spadoni
Notary Public

Robert S. Spadoni
(Type or Print Name)



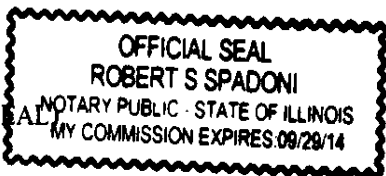
(SEAL)

STATE OF Illinois)
) SS
COUNTY OF Cook)

The foregoing instrument was acknowledged before me this 10th day of December, 2013, by John S. Williams, Chase of Finance of Human Resources Development Institute, Inc., an Illinois not-for-profit corporation, on behalf of said corporation.

Robert S. Spadoni
Notary Public

Robert S. Spadoni
(Type or Print Name)



(SEAL)

UNOFFICIAL COPY

SCHEDULE I

LEGAL DESCRIPTION

PARCEL 1:

LOT 11 IN THE SUBDIVISION OF THE EAST 1/2 OF BLOCK 27 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS

PIN: 17-16-111-022-0000

Address: 222 S. Jefferson St., Chicago, IL 60661

PARCEL 3: LOTS 7 THROUGH 10 BOTH INCLUSIVE, IN THE RESUBDIVISION OF BLOCK 6 IN FIRST ADDITION TO PULLMAN BEING A SUBDIVISION OF EAST 775 FEET OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THAT PART SHOWN AS OCCUPIED BY THE C&W ILLINOIS RAILROAD) IN COOK COUNTY, ILLINOIS

PIN: 25-21-223-036

Address: 11352 S. State Street, Chicago, Illinois 60628

PARCEL 4A:

THE SOUTH 77 FEET OF THE NORTH 201 FEET OF THE EAST 135.50 FEET OF THE FOLLOWING DESCRIBED LAND TAKEN AS A TRACT, TO WIT: THE NORTH 150 FEET OF THE EAST 266.30 FEET OF BLOCK 3, ALSO THE NORTH 355.50 FEET OF THE EAST 125 FEET OF SAID BLOCK 3, ALL IN PULLMAN PARK ADDITION TO PULLMAN, A SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF FRACTIONAL SECTION 22, AND THAT PART OF THE NORTHEAST 1/4 OF SAID SECTION LYING WEST OF THE RIGHT-OF-WAY OF THE I.C.R.R., ALL IN TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND LYING NORTH OF THE INDIAN BOUNDARY LINE AND ALSO LOTS 1,2,3,4,5 AND 6 (EXCEPT THE SOUTH 16 FEET OF SAID LOT 6, AND THE VACATED ALLEYS LYING NORTH AND EAST OF SAID LOTS, IN SEVENTH PALMER ADDITION, A SUBDIVISION OF PARTS OF LOT 1 IN SAID BLOCK 3, ALL IN COOK COUNTY, ILLINOIS

PARCEL 4B:

EASEMENT FOR INGRESS AND EGRESS APPURTENANT TO AND FOR THE USE AND BENEFIT OF PARCEL 4A AS SET FORTH AND DEFINED IN THE GRANT OF EASEMENT RECORDED AS DOCUMENT NUMBER 88138430 AND AS CREATED BY THE DEED RECORDED AS DOCUMENT NUMBER 88139348, IN COOK COUNTY, ILLINOIS

PIN: 25-22-117-001

Address: 11301 S. Calumet Avenue, Chicago, Illinois 60628

25-22-117-052

Address: 11330 S. King Drive, Chicago, Illinois 60628

PIN: 25-22-117-054

Address: 11315 S. Calumet Avenue, Chicago, Illinois 60628

PARCEL 5:

LOTS 8, 9 AND 10 IN WEDDELL AND COX'S ADDITION TO ENGLEWOOD, A SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 20, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PIN: 20-20-307-031

Address: 1223 W. Marquette Road, Chicago, Illinois 60636

PARCEL 6:

LOTS 1, 2 AND 3 IN BLOCK 8 IN AUBURN HIGHLANDS, BEING HARTS SUBDIVISION OF BLOCKS 1, 2, 7 AND 8 IN CIRCUIT COURT PARTITION OF THE NORTHWEST 1/4 OF SECTION 32, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

UNOFFICIAL COPY

PIN: 20-32-115-020; 20-32-115-021; and 20-32-115-022

Address: 8000-04 S. Racine Avenue, Chicago, Illinois 60620

Property of Cook County Clerk's Office

UNOFFICIAL COPY

SCHEDULE II

PERMITTED EXCEPTIONS

Property of Cook County Clerk's Office