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15000030536 / of 2

Illinois Anti-Predatory Lending Database Program



1515334089

Doc#: 1515334089 **Fee:** \$82.00
RHSP Fee:\$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 06/02/2015 02:20 PM Pg: 1 of 23

Certificate of Exemption

Report Mortgage Fraud
800-532-8785

Property of Cook County Clerk's Office

The property identified as: **PIN:** 14-31-332-005-0000

Address:

Street: 1643-1657 N. Milwaukee Avenue

Street line 2:

City: Chicago

State: IL

ZIP Code: 60647

Lender: MB Financial Bank, N.A.

Borrower: LG Development Group LLC-1643 Noth Milwaukee Series

Loan / Mortgage Amount: \$13,116,841.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 7770 et seq. because it is commercial property.

Certificate number: 863A3F58-EB2C-4001-99D2-EFA6C57258A4

Execution date: 05/19/2015

CCRD REVIEWER

23

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This Document Prepared by
and after Recording Return to:

Timothy M. Koltun
CLARK HILL PLC
500 Woodward Avenue
Suite 3500
Detroit, Michigan 48226

This space reserved for Recorder's use only.

**CONSTRUCTION MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF
LEASES AND RENTS AND FIXTURE FILING**

THIS CONSTRUCTION MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (the "**Mortgage**") is made as of May 19, 2015, by LG Development Group LLC-1643 North Milwaukee Series, an Illinois series limited liability company, as mortgagor (the "**Mortgagor**"), having its principal place of business at 2234 W. North Ave., Chicago, Illinois 60647, for the benefit of **MB FINANCIAL BANK, N.A.**, a national banking association, its successors and assigns, having an address at 225 West Washington Street, Chicago, Illinois 60606, as mortgagee ("**Lender**").

RECITALS:

A. This Mortgage is given to secure the payment of all indebtedness and liabilities under, and the performance of all covenants and agreements contained in, the following 1 through 5 below, collectively referred to herein as the "**Obligations**":

1. That certain Promissory Note made by Mortgagor in favor of Lender dated as of the date hereof in the amount of \$13,116,841 (such Promissory Note, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, is referred to herein as the "**Note**") which evidences a loan (the "**Loan**") to be made by Lender to Borrower.

2. That certain Construction Loan Agreement dated as of the date hereof made by Borrower and Lender in connection with the Loan (such Construction Loan Agreement, as the same may be amended restated, replaced, supplemented or otherwise modified from time to time, is referred to herein as the "**Loan Agreement**").

3. That certain Guaranty Agreement dated as of the date hereof made by Brian Goldberg and Barry Howard (collectively, the "**Guarantors**"), in favor of Lender guaranteeing completion of the Project and payment of a portion of the Note as provided therein,

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as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time (the “**Guaranty**”).

4. This Mortgage, as it may be amended, restated, replaced, supplemented or otherwise modified from time to time.

5. All of the other Loan Documents (as defined in the Loan Agreement) except for that certain Environmental Indemnity Agreement dated as of the date hereof made by Mortgagor in favor of Lender (the “**Indemnity**”).

B. A condition precedent to the Lender making the Loan with Mortgagor is the execution and delivery by Mortgagor of this Mortgage.

C. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

ARTICLE 1 - GRANTS OF SECURITY

Section 1.1 Property Mortgaged. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor does hereby irrevocably mortgage, bargain, sell, pledge, assign, warrant, transfer, convey and grant a mortgage lien and security interest to Lender, and its successors and assigns, on the following property, rights, interests and estates now owned, or hereafter acquired by Mortgagor, respectively (such property, rights interests and estates whether now owned or hereafter acquired by Mortgagor are collectively referred to herein as the “**Property**”):

(a) **Land.** The real property described in Exhibit A attached hereto and incorporated herein by reference (the “**Land**”);

(b) **Improvements.** The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land, and also all machinery, equipment, furniture, cabinets, shelving, displays, lights, mirrors, blinds, shades, storm doors, storm windows, awnings, appliances, carpet, goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the Property, systems, including air conditioning, gas, electrical, water, ventilation, garbage disposal, and other systems, fixtures and trade fixtures attached or otherwise installed on the Property used for a trade or business, and property of every kind and nature whatsoever now or hereafter located in or upon or affixed to the Property, or any part of the Property, or used or usable in connection with any present or future operation of the Property, and now owned or hereafter acquired by Mortgagor, all trade names associated with the Property, and all materials, supplies and equipment delivered to the Property for use in any construction being conducted thereon and owned by Mortgagor; sewer and water and other utility agreements to obtain or construct a facility to service the Property; utility deposits; all architectural plans and specifications; licenses and permits; rights to zoning or other development orders or agreements approved and issued by the appropriate agencies of and by the County or municipality in which the Property is located or the State of Illinois and all rights with respect to tax abatements, tax credits

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or other governmental incentives; general intangibles; actions and rights in action, including all right to insurance proceeds and all proceeds, products, replacements, additions, substitutions, renewals and accessions of any of the foregoing (collectively, the “**Improvements**”);

(c) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, sewer and water lines, riparian rights, air rights and development rights, and all estates, rights, titles, interests, privileges, licenses, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land or the Improvements and the reversions and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, rights of dower, rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Mortgagor of, in and to their respective parcels that make up the Land and the Improvements, including all the appurtenances thereto;

(d) Fixtures. All fixtures of every kind and nature whatsoever now or hereafter located upon the Land or the Improvements, or appurtenant thereto (collectively, the “**Fixtures**”), and all proceeds and products of any of the foregoing;

(e) Leases and Rents. All leases, subleases, lettings, licenses, concessions or other agreements (whether written or oral) pursuant to which any person is granted a possessory interest in, or right to use or occupy all or any portion of the Land and the Improvements, and every modification, amendment or other agreement relating to such leases, subleases, or other agreements entered into in connection with such leases, subleases, or other agreements and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into, whether before or after the filing by or against Mortgagor of any petition for relief under any creditors’ rights laws (collectively, the “**Leases**”) and all right, title and interest of Mortgagor, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Land and the Improvements whether paid or accruing before or after the filing by or against Mortgagor of any petition for relief under any creditors’ rights laws (collectively, the “**Rents**”) and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Obligations;

(f) Insurance Proceeds. All insurance proceeds paid with respect to any portion or all of the Property under any insurance policies covering any portion or all of the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to any portion or all of the Property;

(g) Judgments and Awards. All judgments, awards of damage and settlements, including interest thereon, which may heretofore and hereafter be made with respect to any portion or all of the Property by reason of condemnation or taking, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or

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decrease in the value of any portion or all of the Property; for any damage (whether caused by such taking or otherwise) to the Property or any part thereof, or to any rights appurtenant thereto; for all proceeds of any sales or other dispositions of the Property; or for all royalties, minerals, oil and gas rights and profits, water and water rights (whether or not appurtenant) owned by Mortgagor;

(h) Real Estate Taxes Refunds or Reductions. All refunds, rebates or credits in connection with reduction in real estate taxes and assessments charged against any portion or all of the Property as a result of any applications or proceedings for refund or reduction;

(i) Rights. The right, in the name and on behalf of Mortgagor, to appear in and defend any action or proceeding brought with respect to Mortgagor's interest in the Property and to commence any action or proceeding to protect the interest of Lender in the Property;

(j) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the items set forth in subsections (a) through (i) including, without limitation, insurance proceeds, awards or liquidation claims; and

(k) Other Rights. Any and all other rights of Mortgagor in and to the items set forth in subsections (a) through (j) above.

Section 1.2 Assignment of Rents. Mortgagor hereby absolutely and unconditionally assigns to Lender all of its right, title and interest in and to all current and future Leases and Rents; it being intended by Mortgagor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, Lender grants to Mortgagor a revocable license to collect, receive, use and enjoy the Rents until the occurrence of a Default (defined below), provided, however, that Mortgagor shall hold sufficient sums from the Rents to pay the installments or payments next due on the Obligations and Mortgagor does not collect Rents more than one month in advance.

Section 1.3 Security Agreement. Mortgagor and Lender agree that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to (a) all sums at any time on deposit for the benefit of Mortgagor or held by the Lender (whether deposited by or on behalf of Mortgagor or anyone else) pursuant to any of the provisions of this Mortgage or the other Loan Documents, and (b) with respect to any personal property included in the granting clauses of this Mortgage, which personal property may not be deemed to be affixed to the Land or Improvements or may not constitute a "fixture" (within the meaning of Section 9-102(41) of the Code) (which property is hereinafter referred to as "**Personal Property**"), and all replacements of, substitutions for, additions to, and the proceeds thereof (all of said Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as "**Collateral**"), and that a security interest in and to the Collateral is hereby granted to the Lender, and the Collateral and all of Mortgagor's right, title and interest therein are hereby assigned to Lender, all to secure payment of the Obligations.

Section 1.4 Fixture Filing. This Mortgage shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of the Uniform Commercial Code, upon such of the Property that is or may become fixtures.

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Section 1.5 Conditions to Grant. Lender shall have and shall hold the above granted and described Property unto and for the use and benefit of Lender and its successors and assigns until:

- (a) Lender has been paid all of the Obligations at the time and in the manner provided therein; and
- (b) All Obligations have been performed and each and every covenant and agreement therein has been complied with.

Notwithstanding the foregoing, the Mortgagor's obligation to indemnify and hold harmless Lender pursuant to the provisions hereof shall survive any such payment or release.

ARTICLE 2 - OBLIGATIONS SECURED

Section 2.1 Obligations. This Mortgage and the grants, assignments and transfers made in ARTICLE 1 are given for the purpose of securing all of the Obligations.

Section 2.2 Incorporation by Reference. All the covenants, conditions and agreements contained in the Obligations, are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein.

ARTICLE 3 - PROPERTY REPRESENTATION, WARRANTIES AND COVENANTS

Section 3.1 Insurance. Except as otherwise specified in the Obligations, the Mortgagor shall:

- (a) Keep the Property insured, while this Mortgage is in effect, against loss or damage by fire and other risks now or hereafter embraced by all risk extended coverage, in an amount equal to not less than one hundred percent (100%) of the full replacement cost. The full replacement cost shall be determined from time to time at the request of Lender by an insurer or by an appraiser, engineer, architect or contractor designated by the Mortgagor and approved by Lender (such approval not to be unreasonably withheld) and paid by the Mortgagor. No omission on the part of Lender to request any such determination shall relieve Mortgagor of any of his or her obligations under this Subsection;
- (b) Maintain insurance against loss or damage from leakage of a sprinkler system and an explosion from steam boilers, air conditioning equipment, pressure vessels or similar apparatus now or hereafter installed on the Property and other improvements in such amounts as Lender may from time to time require;
- (c) When required by any federal, state or local law, rule, statute, ordinance or regulation, maintain flood insurance on the Property in an amount equal to the lesser of the full replacement cost thereof or the maximum amount of insurance available;
- (d) Maintain commercial general liability insurance, covering the Property in an amount reasonably satisfactory to Lender;

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- (e) From and after the date Mortgagor submits to Lender the Conversion Request, maintain business interruption insurance in an amount reasonably satisfactory to Lender;
- (f) Workers' compensation insurance in the minimum amount required by applicable law; and
- (g) Maintain such other insurance and in such amounts as may from time to time be reasonably required by Lender against other insurable hazards which at the time are commonly insured against and generally available in the case of premises similarly situated.

At all times prior to completion of the Project (as defined in the Loan Agreement), Mortgagor shall maintain (i) owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the above-mentioned commercial general liability insurance and (ii) the insurance provided for in (a) above shall be written on a so-called "**All Risk Builder's Risk Completed Value Non-Reporting Form**" with an agreed amount endorsement and with no co-insurance provisions. In addition, at all times after completion of the Project that alterations or improvements are being made with respect to the Property, Mortgagor shall maintain the insurance described in (i) of the immediately preceding sentence and, with respect to such alterations and improvements, the insurance described in (ii) of the immediately preceding sentence.

Except as hereinafter otherwise provided, all insurance provided for in this Section 3.1 will be effected under valid and enforceable policies issued by financially responsible insurers incorporated under the laws of the United States or any state thereof and authorized to do business in the State of Illinois and which are approved in writing by Lender. All policies will contain a standard non-contributory mortgage clause in favor of and in form acceptable to Lender and otherwise be in form and substance, and provide for deductibles, acceptable to Lender. Upon the execution of this Mortgage and thereafter not less than thirty (30) days prior to the expiration dates of the expiring policies furnished pursuant to this Section 3.1, or any other Section of this Mortgage, originals of the policies bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Lender of such payment, shall be delivered by Mortgagor to Lender.

All policies of insurance provided for in this Section 3.1 will cover any interest that Lender may have with respect to any Property. The loss, if any, under these policies will be adjusted with the insurance companies solely by Lender. The proceeds of any such insurance will be payable to Lender. Each such policy will contain an agreement by the insurer that such policy will not be canceled or amended or failed to be renewed without at least thirty (30) days' prior notice to Lender.

Section 3.2 Taxes. Mortgagor shall pay before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law for the non-payment thereof, all taxes, assessments, water and sewer rents, rates and charges, charges for public utilities, excises, levies, license and permit fees and other governmental charges, general and special, ordinary and extraordinary, unforeseen and foreseen, of any kind and nature whatsoever which at any time prior to or during the term of this Mortgage may be assessed, levied, confirmed,

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imposed upon, or become due and payable out of or in respect of, or become a lien on, the Property or any part thereof or any appurtenance thereto (collectively, "Taxes").

Section 3.3 Escrow for Taxes. Notwithstanding the foregoing, upon the occurrence, if at all, of the Conversion Date (as defined in the Loan Agreement), Mortgagor shall (a) immediately deposit with Lender the amount that Lender has estimated will be sufficient, when added to the payments to be made by Mortgagor under subsection (b) below, to fully pay when due the next Taxes becoming due and (b) thereafter pay to Lender, on the same days as installments under the Note are due and payable, a sum equal to 1/12th of the amounts Lender estimates are necessary to pay, on an annualized basis, Taxes. If the amount so paid is not sufficient to pay any Taxes when due, then Mortgagor will immediately deposit with Lender amounts sufficient to pay the same. Funds deposited by Mortgagor pursuant to this Section 3.2 shall, except as provided below, be used by Lender to pay Taxes prior to delinquency, provided that Mortgagor has furnished Lender with all bills for Taxes at least fifteen (15) days prior to the date that any such Taxes may be delinquent. If a Default occurs, Lender may elect, at any time during the existence of such Default, to apply the funds accumulated under this Section 3.3 against the Obligations in any manner or order. No interest shall accrue or be allowed under the payments made by Mortgagor to Lender under this Section 3.3. Lender shall not be required to deposit or hold monies in an account special or separate from its general funds. Mortgagor specifically releases Lender from any and all liability to Mortgagor arising out of the maintenance by Lender of an escrow as provided herein or for the payment of any sums out of such escrow except as a result of Lender's gross negligence. Mortgagor further indemnifies Lender against any and all claims arising out of the payment of Taxes where Mortgagor has failed to provide Lender with tax bills and premium notices as required hereby.

Section 3.4 Leases. Subject to the Loan Agreement (which shall control in the event of a conflict with this Section 3.4), except in the ordinary course of business, Mortgagor shall not, without the prior written consent of Lender, enter into any Leases for all or any portion of the Property, amend, modify or terminate any Leases, accept a surrender of any Lease, waive any obligation of a party under any Lease, or consent to an assignment of a Lease or a sublease of all or any portion of the premises leased pursuant to a Lease. Mortgagor shall not accept any payment of rent under any lease more than thirty (30) days in advance of its due date.

Section 3.5 Warranty of Title. Mortgagor has good, marketable and insurable fee simple title to the Property free and clear of all liens and encumbrances whatsoever, except for the matters listed in Exhibit B attached hereto ("**Permitted Encumbrances**"). This Mortgage, when properly recorded, will create:

- (a) a valid, perfected first mortgage lien on the Property, and
- (b) a valid, perfected first security interest in all Fixtures and Collateral,

all in accordance with the terms thereof, in each case subject only to any Permitted Encumbrances. Mortgagor shall forever warrant, defend and preserve the title and the validity and priority of the lien of this Mortgage and shall forever warrant and defend the same to Lender against the claims of all persons.

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Section 3.6 Payment for Labor and Materials. Mortgagor will promptly pay, when due, all bills and costs for labor and materials incurred in connection with the Property and never permit to exist beyond the due date thereof any lien or security interest with respect to such labor or materials, even though inferior to the liens and the security interests hereof, and in any event never permit to be created or exist any other or additional lien or security interest, except for the Permitted Encumbrances.

ARTICLE 4 – GENERAL COVENANTS

Mortgagor acknowledges, warrants, represents and covenants as follows:

Section 4.1 Valid Lien. This Mortgage is a valid, first position lien on the Property and there are no setoffs, counterclaims or defenses with respect to the Obligations mentioned above, either at law or in equity.

Section 4.2 Other Liens. Except as otherwise agreed in writing by Lender, Mortgagor covenants and agrees that it will not, without the written consent of Lender having first been obtained, place on, or permit any secondary financing or any other liens of any kind to encumber or attach to, the Property other than this Mortgage executed and delivered to Lender and Permitted Encumbrances.

Section 4.3 Continuation Statement. Lender shall have the right to file UCC financing statements to perfect any security interest given by Mortgagor to Lender and Mortgagor hereby authorizes Lender to file financing statements and continuation statements now and as often as it may be helpful or necessary to protect or preserve the priority of Lender's lien on said property over other liens thereon and to pay all necessary fees for such filings. The Mortgagor will repay to Lender on demand any amount so paid, with interest at the same rate charged on the unpaid principal balance to the date of repayment, and the same shall be secured by this Mortgage.

Section 4.4 Authorization to File Fixture Filings; Power of Attorney. Mortgagor hereby authorizes Lender at any time and from time to time to file any fixture filings, amendments thereto and continuation statements as authorized by applicable law, as applicable to all or part of the Fixtures. For purposes of such filings, Mortgagor agrees to furnish any information requested by Lender promptly upon request by Lender. Mortgagor also ratifies its authorization for Lender to have filed any like fixture filing, amendments thereto or continuation statements, if filed prior to the date of this Mortgage. Mortgagor hereby irrevocably constitutes and appoints Lender and any officer or agent of Lender, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Mortgagor or in Mortgagor's own name to execute in Mortgagor's name any such documents and otherwise to carry out the purposes of this Section 4.4, to the extent that Mortgagor's authorization above is not sufficient. To the extent permitted by law, Mortgagor hereby ratifies all acts of said attorneys-in-fact have lawfully done in the past or shall lawfully do or cause to be done in the future by virtue of this Section 4.4. This power of attorney is a power coupled with an interest and shall be irrevocable.

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Section 4.5 Mortgagor to Observe Lease Provisions. Mortgagor will at all times keep, perform and observe all covenants, agreements, terms, provisions, conditions and limitations of the Leases on its part as lessor to be kept, performed and observed, and will do all things necessary to prevent default on its part thereunder.

Section 4.6 Environmental Matters. To the best of Mortgagor's knowledge, there are no conditions existing currently or likely to exist during the term of this Mortgage which would subject Mortgagor to damages, penalties, injunctive relief or clean-up costs under any Environmental Laws (as defined below) or which require or are likely to require clean up, removal, remedial action or other response pursuant to the Environmental Laws by Mortgagor. During the term of this Mortgage, Mortgagor shall do all things necessary to comply with all applicable laws, regulations and ordinances, including all applicable Environmental Laws. Mortgagor shall not, nor shall Mortgagor permit any other person or entity to, place upon, in or about the Property, any materials or substances controlled or regulated under Environmental Laws. For purposes of this Mortgage, "**Environmental Laws**" means all federal, state and local laws, including statutes, regulations, ordinances, codes, rules and other governmental restrictions and requirements relating to environment or hazardous substances, including but not limited to, the removal, transport and disposal of petroleum products or asbestos containing waste. Mortgagor acknowledges that concurrently herewith Mortgagor has executed and delivered to Lender the Indemnity pursuant to which Mortgagor has fully indemnified Lender for certain environmental matters concerning the Property, as more particularly described therein. Mortgagor agrees to abide by all of the provisions of the Indemnity; provided, however, that the obligations of Mortgagor under the Indemnity shall not be secured by this Mortgage.

Section 4.7 Compliance with Laws. Throughout the term of this Mortgage, Mortgagor will promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, courts, departments, commissions, boards and officers, any national or local Board of Fire Underwriters, or any other body exercising functions similar to those of the foregoing, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Property and the sidewalks and curbs adjoining the Property or to the use or manner of use of the Property whether or not such law, ordinance, order, rule, regulation or requirements shall necessitate structural changes or improvements.

Section 4.8 Further Actions. Mortgagor shall take and perform all actions necessary or as reasonably requested by Lender to protect and perfect the liens and security interests granted hereby to Lender on the Property and Lender's priority lien position therein.

Section 4.9 No Sale or Encumbrance. Without the prior written consent of Lender, Mortgagor will not cause or permit a sale, conveyance, mortgage, encumbrance, pledge, assignment, grant of any options with respect to, or any other transfer or disposition (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) of a legal or beneficial interest in the Property (a "**Prohibited Transfer**").

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ARTICLE 5 – DAMAGE OR DESTRUCTION/CONDEMNATION

Section 5.1 Mortgagor's Obligation to Repair. In the event of a casualty to the Property resulting in damage or destruction, the Mortgagor shall promptly give written notice of the casualty to Lender, and Lender shall advise the Mortgagor as to whether Lender elects to apply the insurance proceeds to reduce the unpaid Obligations or whether it will make such proceeds available to the Mortgagor to restore the damage. If Lender elects to permit the Mortgagor to use the insurance proceeds to restore rather than use the insurance loss proceeds to reduce the unpaid Obligations, Mortgagor shall, at its sole cost and expense, except as otherwise provided in this ARTICLE 5 (and whether or not the insurance proceeds, if any, shall be sufficient for the purpose), restore, repair, replace, rebuild or alter the same as nearly as possible to its value, condition and character immediately prior to such damage or destruction or with such changes or alterations as may be made at the Mortgagor's election and as approved by Lender.

Section 5.2 Restoration. Subject to the provisions of Section 5.5 and Section 5.7 below and if Lender elects to use the insurance loss proceeds to restore the Property, all insurance money paid to Lender on account of such damage or destruction, less the actual cost, fees and expenses, if any, incurred in connection with adjustment of the loss, may be applied by Lender to the payment of the cost of the restoration, repairs, replacement, rebuilding or alterations, including the cost of temporary repairs or for the protection of property pending the completion of permanent restoration, repairs, replacements, rebuilding or alterations (all of which temporary repairs, protection of property and permanent restoration, repairs, replacements or alterations are hereinafter collectively referred to as the "**Restoration**"), and may be paid out from time to time as such Restoration progresses upon the written request of the Mortgagor, if the work for which payment is requested has been done in a good workmanlike manner and substantially in accordance with the plans and specifications approved by Lender therefor. Each request shall be accompanied by the following:

(a) A certificate signed by Mortgagor, dated not less than thirty (30) days prior to such request, setting forth the following:

(i) That the sum then requested has been paid or is justly due to contractors, subcontractors, materialmen, engineers, architects or other persons who have rendered services or furnished materials for the Restoration therein specified or have paid for the same, the names and addresses of such persons, a brief description of such services and materials, the several amounts so paid or due to each of said persons in respect thereof, that no part of such expenditures has been or is being made, in any previous or then pending request, for the withdrawal of insurance money or has been made out of the proceeds of insurance received by Mortgagor or other sums deposited with Lender for the Restoration; and

(ii) That the cost, as estimated by the persons signing such certificate, of the Restoration required to be done subsequent to the date of such certificate in order to complete and pay for the same, does not exceed the insurance money, plus any amount deposited by Mortgagor to defray such cost and remaining in the hands of Lender after payment of the sum requested in such certificate.

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(b) An endorsement to the mortgage title insurance policy obtained in connection with acceptance of the Mortgage by Lender, satisfactory to Lender, or other evidence satisfactory to Lender, to the effect that there has not been filed with respect to the Property or any part thereof any vendor's, mechanic's, laborer's, materialman's or other lien which has not been discharged of record, except such as will be discharged by payment of the amount then requested.

Section 5.3 Architect's Certificate. In the event that any such Restoration involves expenditures in excess of \$25,000.00, in addition to the certificate required by Section 5.2(a) there shall also be furnished a certificate signed by the architect and/or engineer in charge of the Restoration, who shall be selected by or on behalf of the Mortgagor and approved in writing by Lender, such approval not to be unreasonably withheld, certifying to the facts set forth in Section 5.2(a)(i) above.

Section 5.4 Payment of Contractors. Upon compliance with the provisions of Section 5.2 above, Lender shall, out of the insurance money and other sums deposited with Lender for the Restoration, pay or cause to be paid to the Mortgagor or the persons named (pursuant to Section 5.2(a)(i)) in such certificate the respective amounts stated therein to have been paid by Mortgagor or to be due to them, as the case may be.

Section 5.5 Construction Deficiency. If the insurance money at the time held by Lender less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss, shall be insufficient to pay the entire cost of the Restoration, the Mortgagor will promptly, upon written demand from Lender, deposit with Lender any sums necessary to make up such deficiency, which sum shall be held by Lender in a non-interest bearing account.

Section 5.6 Excess Insurance Proceeds. Upon: (a) completion of all the Restoration in a good and workmanlike manner and substantially in accordance with the plans and specifications approved by Lender; and (b) receipt by Lender of satisfactory evidence of the character required by Section 5.2 above that the Restoration has been completed and paid for in full (or if any part of the Restoration has not been paid for, adequate security for such payment shall exist in form satisfactory to Lender) and that there are no liens of the character referred to in Section 5.2(b), any balance of the insurance money at the time held by Lender shall be paid to the Mortgagor, provided that no Default then exists.

Section 5.7 Default After Casualty. Notwithstanding any provision of this ARTICLE 5 to the contrary, if at any time after a casualty and prior to completion of the Restoration of the Property, a Default exists, Lender shall have no obligation to apply insurance money to Restoration and may apply such insurance money to cure such default, to reduce the outstanding indebtedness secured hereby or complete any repair or Restoration, or to do any one or more of the foregoing as Lender, in its sole discretion, may determine.

Section 5.8 Application of Insurance Proceeds. If Lender, elects to have the insurance loss proceeds applied to reduce the unpaid indebtedness secured hereby, the proceeds may be applied by Lender to the payment of the unpaid and outstanding amount of the Obligations pursuant to Section 3.16 of the Loan Agreement. Lender has no duty to comply with any direction given by Mortgagor with respect to application of any proceeds.

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Section 5.9 Service Fee. Out of the insurance money received and other sums deposited with Lender for the Restoration of the Property, Lender may charge a restoration, administration and servicing fee as determined by Lender to reimburse it for its costs and expenses incurred in connection with the Restoration. There shall also be deducted from such sums held for Restoration all charges by the title insurance company for inspection fees and for issuance of endorsements in satisfaction of the requirements in Section 5.2(b). Lender shall not be obligated to pay interest on any sums received or held by it for the Restoration.

Section 5.10 Condemnation Awards. In the event all or any portion of the Property is taken by reason of any condemnation or similar eminent domain proceeding, or by conveyance in lieu or in anticipation thereof ("**Condemnation**"), Lender shall advise the Mortgagor as to whether Lender elects to apply the compensation, awards, damages, proceeds and payments or relief for the Condemnation ("**Condemnation Proceeds**") to reduce the unpaid Obligations or whether it will make the Condemnation Proceeds available to the restoration of the portion of the Property that has not been taken or conveyed pursuant to the Condemnation in compliance with all applicable laws and to the same condition, character and general utility as nearly as possible to that existing prior to the Condemnation. If Lender elects to permit the Mortgagor to use the Condemnation Proceeds to restore rather than use the Condemnation Proceeds to reduce the unpaid Obligations, Mortgagor shall, at its sole cost and expense, except as otherwise provided in this ARTICLE 5 (whether or not the Condemnation Proceeds shall be sufficient for the purpose), restore, repair, replace, rebuild or alter the portion of the Property not taken as nearly as possible to the value, condition, character and utility prior to such Condemnation or with such changes or alterations as may be made at the Mortgagor's election and as approved by Lender. If Lender elects to permit the Mortgagor to use the Condemnation Proceeds as described above, all of the provisions of Sections 5.2 through 5.9 above shall be applicable to the restoration pursuant to this Section 5.10, with the Condemnation to be treated as a casualty and the Condemnation Proceeds to be treated as insurance proceeds for purposes of applying such Sections to the restoration pursuant to this Section 5.10.

ARTICLE 6 – DEFAULT

Section 6.1 Default. The term "**Default**" as used in this Mortgage shall mean:

- (a) The failure to timely pay or perform any Obligation when due, or any default or failure of performance occurs under any Loan Documents;
- (b) Any representation or warranty made by Mortgagor herein or in any of the other Loan Documents shall prove to have been false in any material respect as of the time when made or given and Mortgagor knew or should have known that the representation was false;
- (c) The failure at any time of the Mortgage to be a valid first lien upon the Property or any portion thereof; or
- (d) The occurrence of any other "**Default**" or "**Event of Default**" as that term may be defined in any of the Loan Documents.

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ARTICLE 7 - RIGHTS AND REMEDIES UPON DEFAULT

Section 7.1 Remedies. Upon the occurrence of any Default, Mortgagor agrees that Lender may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Mortgagor and in and to all or any portion of the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Lender:

- (a) declare the entire unpaid amount of the Obligations to be immediately due and payable;
- (b) institute proceedings, judicial or otherwise, for the foreclosure of this Mortgage under any applicable provision of law, in which case all or any portion of the Property (or any interest therein) may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner as may be determined by Lender;
- (c) institute proceedings for the partial foreclosure of this Mortgage for the portion of the Obligations then due and payable, subject to the continuing lien and security interest of this Mortgage for the balance of the Obligations not then due, unimpaired and without loss of priority;
- (d) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Mortgagor therein (and rights of redemption thereof) pursuant to the applicable law or any power of sale, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice as may be required or permitted by law;
- (e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein or in any of the other Loan Documents or the Indemnity;
- (f) recover judgment on the Obligations either before, during or after any proceedings for the enforcement of this Mortgage or the other Loan Documents;
- (g) pursuant to 735 ILCS 5/15-1701 et seq or as otherwise permitted by applicable law, take possession of the Property and apply for the appointment of a receiver, trustee, liquidator or conservator of all or any portion of the Property, to serve without bond, without notice and without regard for the adequacy of the security for the Obligations and without regard for the solvency of any Mortgagor or any other person liable for the payment of the Obligations;
- (h) the license granted to Mortgagor under Section 1.2 hereof shall automatically be revoked and Lender may enter into or upon all or any portion of the Property, either personally or by its agents, nominees or attorneys and dispossess Mortgagor and its agents therefrom, without liability for trespass, damages or otherwise and exclude Mortgagor and its agents wholly therefrom. Lender may take possession of all books, records and accounts relating thereto and Mortgagor agrees to surrender possession of the Property and of such books, records and accounts to Lender upon demand. Lender may:

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- (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct any business on the Property;
- (ii) complete any construction on the Property in such manner and form as Lender deems advisable;
- (iii) make alterations, additions, renewals, replacements and improvements to, or on, the Property;
- (iv) exercise all rights and powers of Mortgagor with respect to the Property, whether in the name of Mortgagor or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents of the Property and every part thereof;
- (v) require Mortgagor to pay monthly in advance to Lender, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Mortgagor;
- (vi) require Mortgagor to vacate and surrender possession of the Property to Lender or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise; and
- (vii) apply the receipts from the Property to the payment of the Obligations, in such order, priority and proportions as Lender shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the forgoing, and all amounts necessary to pay the taxes, insurance and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Lender, its counsel, agents and employees;
- (i) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Collateral. Any notice of sale, disposition or other intended action by Lender, with respect to the Collateral sent to Mortgagor in accordance with the provisions hereof at least ten (10) days prior to such action shall constitute commercially reasonable notice to Mortgagor;
- (j) apply any sums then deposited or held in escrow or otherwise by or on behalf of Lender in accordance with the payment of the following items in any order in its complete discretion: (i) taxes; (ii) insurance premiums; (iii) interest on the unpaid principal balance of the Obligations; (iv) principal of the Obligations; and/or (v) all other sums payable pursuant to any of the Obligations, including, without limitation, advances made by Lender pursuant to the terms of this Mortgage;
- (k) surrender the insurance policies maintained pursuant to this Mortgage or any of the other Loan Documents, collect unearned insurance premiums for the policies, and apply such

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sums as a credit on the Obligations in such priority and proportion as Lender in its discretion shall deem proper; or

- (l) pursue such other remedies as Lender may have under applicable law.

In the event of a sale (by foreclosure, power of sale or otherwise) of less than all of the Property, this Mortgage shall continue as a lien and security interest on the remaining portion of the Property, unimpaired and without loss of priority.

Section 7.2 Application of Proceeds. The proceeds of any disposition of the Property, and/or any part thereof, or any other sums collected by Lender pursuant to Article 7 of this Mortgage or the exercise of any other remedies pursuant to this Mortgage or any other Loan Documents or otherwise available at law or in equity, may be applied by Lender to the payment of the unpaid and outstanding amount of the Obligations in such priority and proportions as Lender in its discretion shall deem proper. Lender has no duty to comply with any direction given by Mortgagor with respect to application of any proceeds.

Section 7.3 Lender Right to Cure Mortgagor Defaults. Upon the occurrence of any Default, Lender may (without any obligation to do so, without notice to or demand on Mortgagor, and without releasing Mortgagor from any obligation hereunder) make any payment or do any act required of Mortgagor hereunder in such manner and to such extent as Lender may deem necessary. Lender is authorized to enter upon all or any portion of the Property, to appear in, defend, or bring any action or proceeding to protect its interest in all or any portion of the Property or to foreclose this Mortgage or collect the unpaid and outstanding amount owed on the Obligations. The cost and expense of Lender's involvement in any action or proceeding (including reasonable attorneys' fees to the extent permitted by law and with interest as provided in this Section 7.3) shall constitute a portion of the Obligations and shall be due and payable to Lender upon demand. All such costs and expenses incurred by Lender in remedying such Default or such failure to act or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the highest rate (including any default rate) provided in any of the Loan Documents, or if less, at the highest rate allowed by law ("Default Rate"), for the period that such cost or expense was incurred to the date of payment to Lender. All such costs and expenses incurred by Lender together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Obligations and be secured by this Mortgage and shall be immediately due and payable upon demand by Lender.

Furthermore, if Mortgagor fails to reasonably repair and maintain the Property as herein required, Lender may, but shall not be obligated to, make such repairs or perform such maintenance or take such other steps as it deems advisable to protect the value or condition of the Property or to prevent or cure waste. Any such actions by Lender shall be at the cost and expense of Mortgagor. Mortgagor shall pay to Lender immediately upon demand, all sums of money advanced by Lender pursuant to this Mortgage together with interest on all sums advanced as of the date of each advance at the Default Rate. This Mortgage shall secure all sums advanced and the interest thereon.

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Section 7.4 Other Rights, Etc.

(a) The failure of Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. No covenant, agreement, term or condition of this Mortgage to be performed or complied with by Mortgagor, and no breach thereof, shall be waived, altered, or modified except by a written instrument executed by Lender. No waiver of any breach shall affect or alter this Mortgage, and each and every covenant, agreement, term and condition of this Mortgage shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. Mortgagor shall not be relieved of Mortgagor's obligations hereunder by reason of:

(i) the failure of Lender to comply with any request of Mortgagor or any guarantor or indemnitor to take any action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage or the other Loan Documents;

(ii) the release, regardless of consideration, of the whole or any part of the Property from this Mortgage, or of any person liable for the Obligations or any portion thereof; or

(iii) any agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of this Mortgage or the other Loan Documents.

(b) The risk of loss or damage to the Property is on the Mortgagor. Lender shall have no liability whatsoever for decline in the value of the Property, for failure to maintain the insurance policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured.

(c) For the payment of the Obligations, Lender may resort to any other security held by Lender in such order and manner as Lender, in its discretion, may elect. Lender may take action to recover the amount outstanding on the Obligations, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Lender thereafter to foreclose this Mortgage. The rights and remedies of Lender under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Lender shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 7.5 Right of Entry. Upon reasonable notice to Mortgagor, Lender and its agents shall have the right to enter and inspect all or any portion of the Property at all reasonable times. Lender and any other person or entity designated by Lender, including, but not limited to, any environmental consultant shall have the right, but not the obligation, to enter upon all or any portion of the Property at all reasonable times to assess any and all aspects of the environmental condition of the Property and its use, including but not limited to conducting any environmental assessment or audit (the scope of which shall be determined in Lender's sole discretion) and taking samples of soil, groundwater or other water, air, or building materials, and conducting

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other testing. Mortgagor shall cooperate with and provide access to Lender and any such person or entity designated by Lender.

Section 7.6 Subrogation. If any or all of the proceeds of the Obligations have been used to extinguish, extend or renew any indebtedness previously existing against all or any portion of the Property, then, to the extent of the funds so used, Lender shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Lender and are merged with the lien and security interest created herein as cumulative security for the repayment of the Obligations.

ARTICLE 8 - WAIVERS

Section 8.1 Marshalling and Other Matters. Mortgagor hereby waives, to the extent permitted by law, the benefit of all legal requirements now or hereafter in force regarding appraisal, valuation, stay extension, reinstatement and redemption and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Mortgagor, and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date of this Mortgage.

Section 8.2 Waiver of Statute of Limitations. Mortgagor hereby expressly waives and releases to the fullest extent permitted by law, the pleading of any statute of limitations as a defense to payment of the Obligations or performance of any other Obligations.

Section 8.3 Sole Discretion of Lender. Whenever pursuant to this Mortgage, Lender exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove or to decide whether arrangements or terms are satisfactory or not satisfactory shall (except as is otherwise specifically herein provided) be in the sole discretion of Lender and shall be final and conclusive.

Section 8.4 WAIVER OF TRIAL BY JURY. MORTGAGOR AND LENDER EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS MORTGAGE, ANY OF THE OBLIGATIONS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY MORTGAGOR AND LENDER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE EXIST.

ARTICLE 9 – MISCELLANEOUS PROVISIONS

Section 9.1 Recitals. The Recitals set forth above are true, accurate and incorporated into this Mortgage by reference.

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Section 9.2 No Oral Change. This Mortgage, and all provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Mortgagor or Lender, but only by an agreement in writing signed by all parties hereto.

Section 9.3 Successors and Assigns. This Mortgage shall be binding upon and inure to the benefit of Lender and Mortgagor and all of the respective successors and assigns of Mortgagor and Lender.

Section 9.4 Governing Law. This Mortgage shall be governed, construed, applied and enforced in accordance with the laws of the state where the Property is located and applicable laws of the United States of America.

Section 9.5 Compliance with Illinois Mortgage Foreclosure Law.

(a). If any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (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.

(b). If any provision of this Mortgage shall grant to Lender (including Lender acting as a mortgagee in possession) or a receiver appointed pursuant to the provisions of 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 Lender or in such receiver under the Act in the absence of said provision, Lender and such receiver shall be vested with the powers, rights and remedies granted in the Act to the full extent permitted by law.

(c). Without limiting the generality of the foregoing, all expenses incurred by Lender 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 in this Mortgage, shall be added to the Obligations and/or by the judgment of foreclosure.

Section 9.6 Notices. All notices, demands, requests and consents required under this Mortgage shall be in writing. All such notices, requests and consent shall be deemed to have been properly given when served in person or when deposited in the United States mail, first class postage prepaid, addressed to Mortgagor or Lender at the respective addresses set forth in the first paragraph of this Agreement, or to such other address as the parties may from time to time designate by notice given in accordance with the provisions of this Section 9.6.

Section 9.7 Headings, etc. The headings and captions of various Articles and Sections of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 9.8 Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

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Section 9.9 Entire Agreement. This Mortgage and the other Loan Documents contain the entire agreement of the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written between Mortgagor and Lender are superseded by the terms of this Mortgage and the other Loan Documents.

Section 9.10 Limitation on Lender's Responsibility. No provision of this Mortgage shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Lender. Furthermore, no provision of this Mortgage shall operate to make Lender responsible or liable for: (i) any waste committed on the Property by the tenants or any other person, (ii) any dangerous or defective or environmental condition of the Property, or (iii) any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger. Nothing herein contained shall be construed as constituting Lender a "mortgagee in possession."

Section 9.11 Maximum Obligations/Future Advances. Notwithstanding anything contained herein to the contrary, in no event shall the Obligations exceed an amount equal to Twenty-Six Million Two Hundred Thirty-Three Thousand Six Hundred Eighty-Two and 00/100 Dollars (\$26,233,682.00); provided, however, in no event shall Lender be obligated to advance funds in excess of the face amount of the Loan or other agreements evidencing the Obligations. This Mortgage secures all future advances made by Lender pursuant to any of the Loan Documents, including but not limited to any and all future advances made pursuant to the Loan Agreement or this Mortgage.

*****SIGNATURES INTENTIONALLY FOLLOW ON NEXT PAGE*****


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IN WITNESS WHEREOF, this Mortgage has been executed under seal by Mortgagor as of the day and year first above written.

MORTGAGOR:

LG Development Group LLC-1643 North Milwaukee Series, an Illinois series limited liability company

Goldberg Development LLC, an Illinois limited liability company, a Manager

By: 
Name: **Brian Goldberg, its sole Member**

STATE OF Illinois)
COUNTY OF Cook)

Before me the undersigned, a Notary Public in and for Cook County, State of Illinois, personally appeared Brian Goldberg, the sole Member of Goldberg Development LLC, an Illinois limited liability company, a Manager of LG Development Group LLC-1643 North Milwaukee Series, an Illinois series limited liability company (the "Company"), personally known to me to be the same person whose name is subscribed to the foregoing document as the general partner of the Company, appeared before me on this date in person and acknowledged that he signed and delivered the said document as his own free and voluntary act and as the free and voluntary act of the Company for the uses and purposes therein set forth.

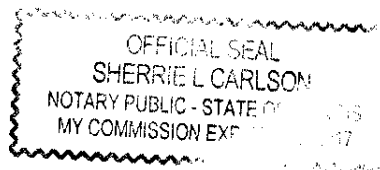
Witness my hand and Notarial Seal this 19th day of May, 2015.

My commission expires: 5/23/2017

[SEAL]


NOTARY PUBLIC

Sherrie L. Carlson
Printed Name



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EXHIBIT A – LEGAL DESCRIPTION OF LAND

LOTS 53, 54, 55, 56, 57, 58 AND 59 IN MATHER AND TAFT'S ADDITION TO CHICAGO, A SUBDIVISION OF THAT PART OF THE SOUTH 1/2 OF THE SOUTH 1/2 OF THE SOUTHWEST 1/4 LYING NORTH AND EAST OF MILWAUKEE AVENUE OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly Known As: 1643 – 1657 N. Milwaukee Avenue, Chicago, Illinois

PIN: 14-31-332-005-0000
14-31-332-006-0000
14-31-332-007-0000
14-31-332-008-0000
14-31-332-050-0000

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EXHIBIT B

PERMITTED ENCUMBRANCES

1. General Real Estate Taxes for the years 2014 and subsequent years not yet due and payable.
2. Exceptions 2 and 3 set forth in Stewart Title Guaranty Company's Proforma Title Policy (File No. 15000030536) and incorporated herein as if fully re-written.

Property of Cook County Clerk's Office