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Illinois Anti-Predatory Lending Database Program



Doc#: 1526657106 **Fee:** \$78.00
RHSP Fee:\$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 09/23/2015 12:58 PM Pg: 1 of 21

Certificate of Exemption

40020727

(7-21)
GIT 2/2

Report Mortgage Fraud
800-532-8785

The property identified as: **PIN:** 09-17-402-051-0000

Address:

Street: 458 OAK STREET

Street line 2:

City: DES PLAINES

State: IL

ZIP Code: 60016

Lender: AMERICAN RESIDENTIAL PROPERTIES OP, L.P.

Borrower: AMSFR, LLC

Loan / Mortgage Amount: \$91,957.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

Certificate number: 041FE29E-2865-43F3-AFF8-FBA8C0FFDDB0

Execution date: 9/18/2015

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40020727

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

American Residential Properties OP LP
7047 East Greenway Parkway;
Suite 350; Scottsdale, AZ 85254
Attention: Iliana Valencia

LOAN NO. 2013-19-ARPOP / 20047

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

Cover Sheet

Date:	As of September 18, 2015
Borrower:	AMSFR, LLC
Borrower's State of Organization:	Illinois
Borrower's Organizational ID Number:	04582686
Lender:	American Residential Properties OP, L.P.
Note Amount:	\$10,000,000.00
State:	Illinois
Record Owner of the Land: (as defined herein)	AMSFR, LLC, an Illinois limited liability company

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

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Security Instrument") is made as of September 18, 2015, by AMSFR LLC, an Illinois limited liability company, having an address at 626 W. Randolph Street, Suite 1, Chicago, Illinois 60661 ("Borrower"), to AMERICAN RESIDENTIAL PROPERTIES OP, L.P., a Delaware limited partnership, having an address at 7047 E. Greenway Parkway, Ste. 350, Scottsdale, Arizona 85254 ("Lender").

GRANTING CLAUSES

For good and valuable consideration and to secure the payment of an indebtedness in the principal sum of NINETY-ONE THOUSAND NINE HUNDRED FIFTY-SEVEN AND 00/100 DOLLARS (\$91,957.00), together with all further "Revolving Advances" (as defined in that certain Amended and Restated Loan Agreement dated September 18, 2014 between Borrower and Lender (as the same may hereafter be amended or modified, the "Loan Agreement")) in connection with the "Revolving Loan" (as defined in the Loan Agreement) as evidenced by that certain Amended and Restated Revolving Note from Borrower to Lender in the maximum principal amount of TEN MILLION AND 00/100 DOLLARS (\$10,000,000.00), and any replacement(s) or substitution(s) of said Revolving Note held by Lender or by any successor or assignee of Lender (as the same may hereafter be amended, modified, split, consolidated or extended, the "Note"), to be paid in lawful money of the United States and to be paid in accordance with the Loan Agreement and the Note, which Loan Agreement and Note are hereby incorporated herein by this reference and made a part hereof, together with all other obligations and liabilities due or to become due by Borrower to Lender, all amounts, sums and expenses paid hereunder by or payable to Lender according to the terms hereof (including, without limitation, all "Extension Fees" (as defined in the Loan Agreement), all Advances (as hereinafter defined) and interest thereon as provided herein and in the Loan Agreement), and all other covenants, obligations and liabilities of Borrower under the Note, the Loan Agreement, this Security Instrument, the "Security Instruments" (as defined in the Loan Agreement), and any other instrument executed by Borrower evidencing, securing or delivered in connection with the loan evidenced by the Note (all of the foregoing instruments, as the same may be amended or modified from time to time, collectively, the "Loan Documents"), and together with all interest on said indebtedness, obligations, liabilities, amounts, sums, Advances and expenses (all of the foregoing, collectively, the "Indebtedness"), Borrower has created in favor of Lender a security interest in and warranted, granted, bargained, sold, conveyed, assigned, transferred and set over, and does by these presents create a security interest in and WARRANT, GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER AND SET OVER unto Lender and its successors and assigns forever, with all RIGHTS OF ENTRY AND POSSESSION and all STATUTORY RIGHTS AND COVENANTS in the State (as hereinafter defined), together with all interest and estate which Borrower may hereafter acquire in the following property:

The parcel or parcels of land described in Exhibit A attached hereto and by this reference made a part hereof (the "Land");

TOGETHER with the buildings, foundations, structures and improvements (including fixtures) now or hereafter located on or in the Land (collectively, the "Improvements");

TOGETHER with all right, power, privilege, option, title and interest, if any, of Borrower in and to the streets and roads, opened or proposed, abutting the Land, all strips and gores within or adjoining the Land, the air space and right to use the air space above the Land, all rights of ingress and egress to and from the Land, all easements, rights of way, reversions, remainders, estates, rights, titles, interests, privileges, servitudes, tenements, hereditaments, and appurtenances now or hereafter affecting the Land or the Improvements, all royalties and rights and privileges appertaining to the use and enjoyment of the Land or the Improvements, including all air, lateral support, streets, alleys, passages, vaults, drainage, water, oil, gas and mineral rights, development rights, all leases and licenses and options to purchase or lease, and all other interests, estates or claims, in law or in equity, which Borrower now has or hereafter may acquire in or with respect to the Land or the Improvements (collectively, the "Appurtenances");

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The Land, the Improvements and the Appurtenances are hereinafter collectively referred to as the "Premises";

TOGETHER with all equipment, fittings, furniture, furnishings, appliances, apparatus, and machinery in which Borrower now or hereafter has a possessory or title interest and now or hereafter installed in or located upon the Premises and all building materials, supplies and equipment now or hereafter delivered to the Premises and intended to be installed therein or located thereon; all fixtures, inventory, other goods and personal property of whatever kind and nature now contained on or in or hereafter placed on or in the Premises and used or to be used in connection with the letting or operation thereof, in which Borrower now has or hereafter may acquire a possessory or title interest and all renewals or replacements of any of the foregoing property or articles in substitution thereof (collectively, the "Equipment");

TOGETHER with all right, power, privilege, option, title and interest of Borrower in and under all present or future accounts, deposit accounts, documents, instruments, chattel paper, and general intangibles (including "payment intangibles"), as the foregoing terms are defined in the Code (as hereinafter defined), all deposits, monies or escrows held by Lender or Lender's agent or any accounts established pursuant hereto or pursuant to any other Loan Documents, and all contract rights, including casualty insurance policies and liability insurance policies (irrespective of whether such policies are required to be obtained or maintained in force pursuant to this Security Instrument or the other Loan Documents), books, records, plans, specifications, permits, licenses, approvals, actions, claims under the Federal Bankruptcy Code (as hereinafter defined) and causes of action which now or hereafter relate to, are derived from or are used in connection with the Premises or the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business or activities thereon (collectively, the "Intangibles");

TOGETHER with all right, power, privilege, option, title and interest of Borrower in and under all existing and future leases, lettings, tenancies, occupancy agreements, licenses to occupy and other similar arrangements affecting the Premises or any part thereof now or hereafter entered into and all amendments, extensions, renewals and guaranties thereof, all security therefore, and all moneys payable thereunder, whether entered into before or after the filing by or against Borrower of any petition for relief under the Federal Bankruptcy Code (collectively, the "Leases");

TOGETHER with all rents, income, accounts, receivables, issues, profits, security deposits, guarantees and other supporting obligations, all other payments and profits from the Leases and the use and occupation of the Premises, including fixed and additional rents, cancellation payments, option payments, security deposits, all revenues, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of sale, lease, sublease, license, concession or other grant of the right of the possession, use or occupancy of all or any portion of the Premises, or personally located thereon, and any other payments and benefits to which Borrower may now or hereafter be entitled from the Premises, the Equipment or the Intangibles or under or in connection with the Leases (collectively, the "Property Income"), including the immediate and continuing right to make claim for, receive, collect and receipt for Property Income, including the right to make claim in a proceeding under the Federal Bankruptcy Code and to apply the same to the payment of the Indebtedness, all whether before or after the filing by or against Borrower of any petition for relief under the Federal Bankruptcy Code; and

TOGETHER with all proceeds, judgments, claims, compensation, awards of damages and settlements pertaining to or resulting from or in lieu of any condemnation or taking of the Premises by eminent domain or any casualty loss or damage to any of the Premises, the Equipment, the Intangibles, the Leases or the Property Income, and including also, the right to assert, prosecute and settle claims arising out of or pertaining to such condemnation or taking or such casualty loss under insurance policies constituting an Intangible and to apply for and receive payments of proceeds under such insurance policies and in any condemnation or taking, the right to apply for and receive all refunds with respect to the payment of property taxes and assessments and all other proceeds from the conversion, voluntary or involuntary, of the Premises, the Equipment, the Intangibles, the Leases or the Property Income, or any part thereof, into cash or liquidated claims. Collectively, all of the foregoing, are herein referred to as the "Proceeds".

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The Equipment, the Intangibles, the Leases, the Property Income and the Proceeds are hereinafter collectively referred to as the "Collateral". The Premises and the Collateral are hereinafter collectively referred to as the "Mortgaged Property".

TO HAVE AND TO HOLD the Mortgaged Property, with all the privileges and appurtenances to the same belonging, and with the possession and right of possession thereof, unto Lender as mortgagee, to its successors and assigns forever, upon the terms and conditions set forth herein.

All initially capitalized terms not defined in this Security Instrument shall have the respective meanings ascribed to such terms in the Loan Agreement.

ARTICLE I

DEFINITION OF TERMS

All capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Loan Agreement. As used in this Security Instrument, the terms set forth below shall have the following meanings:

"Advances" means all sums, amounts or expenses advanced or paid and all costs incurred by Lender, as provided in this Security Instrument or in any other Loan Document, upon failure of Borrower to pay or perform any obligation or covenant contained herein or in such other Loan Document.

"Appurtenances" has the meaning assigned in the Granting Clauses.

"Borrower" means the party or parties identified and defined as Borrower on the Cover Sheet and in the preamble of this Security Instrument, any subsequent owner of the Mortgaged Property, and its or their respective heirs, executors, legal representatives, successors and assigns.

"Collateral" has the meaning assigned in the Granting Clauses.

"Default Rate" has the meaning assigned in the Note.

"Equipment" has the meaning assigned in the Granting Clause.

"Event of Default" means any one or more of the events described in Section 6.1 of the Loan Agreement.

"Federal Bankruptcy Code" means Title 11 of the United States Code, as the same may be amended from time to time or any successor statute thereto.

"Hazardous Materials" means any oil, flammable explosives, asbestos, urea formaldehyde insulation, mold, toxic mold, radioactive materials, hazardous wastes, toxic or contaminated substances or similar materials, including, without limitation, any substances which are "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances," "wastes," "regulated substances," "industrial solid wastes," or "pollutants or contaminants" under the Hazardous Materials Laws, as described below, and/or other applicable environmental laws, ordinances and regulations.

"Hazardous Materials Laws" means all laws, ordinances and regulations relating to Hazardous Materials.

"Indebtedness" has the meaning assigned in the Granting Clauses.

"Intangibles" has the meaning assigned in the Granting Clauses.

"Land" has the meaning assigned in the Granting Clauses.

"Leases" has the meaning assigned in the Granting Clauses.

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“Lender” means the party or parties identified and defined as Lender on the Cover Sheet and in the preamble of this Security Instrument, and its successors and assigns (including any other holders from time to time of the Note).

“Loan” means the loan made by Lender to Borrower evidenced by the Note and governed by the Loan Agreement.

“Loan Agreement” has the meaning assigned in the Granting Clauses.

“Loan Documents” has the meaning assigned in the Granting Clauses.

“Mortgaged Property” has the meaning assigned in the Granting Clauses.

“Note” has the meaning assigned in the Granting Clauses.

“Permitted Encumbrances” means the liens and security interests created by this Security Instrument and the other Loan Documents and those exceptions to title approved by Lender.

“Premises” has the meaning assigned in the Granting Clauses.

“Proceeds” has the meaning assigned in the Granting Clauses.

“Property Income” has the meaning assigned in the Granting Clauses.

“State” means the State in which the Land is situated.

ARTICLE II

COVENANTS, WARRANTIES AND REPRESENTATIONS OF BORROWER

Borrower covenants, warrants, represents and agrees as follows:

Section 2.01 Interest on Advances and Expenses. All Advances made and any reasonable expenses incurred at any time by Lender pursuant to the provisions of this Security Instrument or the other Loan Documents or under applicable law shall be secured by this Security Instrument as part of the Indebtedness, with equal rank and priority. All such Advances and expenses shall bear interest at the Default Rate from the date that each such Advance or expenses is made or incurred to the date of repayment and all such Advances and expenses with interest thereon shall be paid to Lender by Borrower upon demand therefor.

Section 2.02 Prohibition Against Conveyances, Encumbrances and Borrowing. Except in connection with a repayment in full of the Revolving Advance made by Lender in connection with this Security Instrument in accordance with Section 4.01(d) hereof, neither Borrower nor any Person shall convey, assign, sell, mortgage, encumber, pledge, hypothecate, grant a security interest in, grant options with respect to, or otherwise dispose of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) all or any portion of any legal or beneficial interest in: (a) all or any portion of the Mortgaged Property including the Leases; or (b) all or any ownership interest in Borrower.

Section 2.03 Assignment of Leases and Property Income.

(a) Borrower hereby absolutely, presently, unconditionally and irrevocably assigns, transfers and sets over to Lender all of the right, title and interest of Borrower in and to the Leases and the Property Income. Borrower shall not otherwise assign, transfer or encumber in any manner the Leases or the Property Income or any portion thereof. Borrower shall have a license, revocable by Lender, to collect and use the Property Income as the same becomes due and payable so long as no Event of Default has occurred, but may not collect any Property Income more than thirty (30) days in advance of the date the same becomes due. The assignment in this

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Section 2.03 shall constitute an absolute, irrevocable and present assignment of the Leases and the Property Income, and not an additional assignment for security, and the existence or exercise of Borrower's revocable license to collect Property Income shall not operate to subordinate this assignment to any subsequent assignment. The exercise by Lender of any of its rights or remedies under this Section 2.03 shall not be deemed or construed to make Lender: (i) a mortgagee-in-possession; (ii) responsible for the payment of any taxes or assessments with respect to the Premises, (iii) liable to perform any obligation of the lessor under any Lease(s) or under applicable law, (iv) liable to any person for any dangerous or defective condition in the Premises or for any negligence in the management, upkeep, repair, or control of the Premises resulting in loss or injury or death to any Person, or (v) be liable in any manner for the remediation of any environmental impairment.

(i) Condemnation Awards. Borrower shall promptly give Lender written notice of the actual or threatened commencement of any condemnation or eminent domain proceeding relating to the Mortgaged Property (a "Condemnation") and shall deliver to Lender copies of any and all papers served in connection with such proceedings. Lender hereby is irrevocably appointed as Borrower's attorney-in-fact, coupled with an interest, with exclusive power to collect, receive and retain any award or payment for such Condemnation and to make any compromise or settlement in connection with such proceeding, subject to the provisions of this Agreement. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise (including without limitation any transfer made in lieu of or in anticipation of the exercise of such taking), Borrower shall continue to pay the Indebtedness at the time and in the manner provided for in the Note, this Security Instrument, the Loan Agreement and the other Loan Documents, and the Indebtedness shall not be reduced until any award or payment therefor shall have been actually received after expenses of collection and applied by Lender to the discharge of the Indebtedness. Lender shall not be limited to the interest paid on the award by the condemning authority but shall be entitled to receive out of the award interest at the rate or rates provided herein. In the case of a Condemnation, Lender may: settle and adjust any claim without the consent of Borrower, or allow Borrower to agree with the condemning authority on the amount to be paid upon the Condemnation; provided, however, that Borrower may adjust losses aggregating not in excess of the greater of (a) Fifty Thousand Dollars (\$50,000) or (b) an amount equal to ten percent (10%) of the appraised value of the Mortgaged Property set forth on the appraisal of the Mortgaged Property provided to Lender as of the date hereof, if such adjustment is carried out in a competent and timely manner, and provided in any case that Lender shall be, and is hereby, authorized to collect and receipt for any such Condemnation award or proceeds. The expenses (including without limitation reasonable attorneys' fees, costs and expenses) incurred by Lender in the adjustment and collection of a Condemnation award or proceeds shall become part of the Indebtedness, shall be secured by this Security Instrument and shall be reimbursed by Borrower to Lender on demand. Any Condemnation award in excess of the greater of (i) Fifty Thousand Dollars (\$50,000) or (ii) an amount equal to ten percent (10%) of the appraised value of the Mortgaged Property set forth on the appraisal of the Mortgaged Property provided to Lender as of the date hereof shall be paid to Lender.

Section 2.04 Insurance Proceeds. Borrower hereby (a) unconditionally assigns to Lender all Proceeds of any insurance policies insuring against loss or damage to the Mortgaged Property, and (b) agrees to pay or hereby authorizes Lender to collect and receive any Proceeds, in excess of the greater of (a) \$50,000 or (b) an amount equal to ten percent (10%) of the appraised value of the Mortgaged Property pursuant to the appraisal provided to Lender in connection with the funding of the Loan and authorizes and directs the issuer of each of such insurance policies to make payment for all such losses directly to Lender, instead of to Borrower and Lender jointly.

Section 2.05 Hazardous Substances.

(a) No Hazardous Activities. Borrower shall not cause or permit the Mortgaged Property to be used as a site for the use, generation, manufacture, storage, treatment, release, discharge, disposal, transportation or presence of any Hazardous Materials.

(b) Compliance. Borrower shall comply, and cause the Mortgaged Property to comply, with all Hazardous Materials Laws.

(c) Notices. Borrower shall immediately notify Lender in writing of: (1) the discovery of any Hazardous Materials on, under or about the Mortgaged Property; (2) any knowledge by Borrower that the Mortgaged Property does not comply with any Hazardous Materials Laws; and (3) any claims, actions, proceedings or investigations pending or threatened against Borrower or the Mortgaged Property related to Hazardous Materials.

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(d) **Remedial Action.** In response to the presence of any Hazardous Materials on, under or about the Mortgaged Property, Borrower shall immediately take, at Borrower's sole expense, all remedial action required by any Hazardous Materials Laws, regulatory agency, governing body or any judgment, consent decree, settlement or compromise in respect to any Hazardous Materials Claims.

Section 2.06 **Waste.** Borrower shall not commit any waste at the Mortgaged Property and shall properly secure the Mortgaged Property to prevent squatters or other trespassers onto the Mortgaged Property.

Section 2.07 **Maintenance of the Mortgaged Property.** The Improvements and the Equipment shall not be removed, demolished or materially altered (except for renovations or upgrades or normal replacement of the Equipment) without the consent of Lender. Borrower shall promptly comply with all laws, orders and ordinances affecting the Mortgaged Property, or the use thereof. Borrower shall promptly repair, replace or rebuild any part of the Mortgaged Property which may be destroyed by any casualty, or become damaged, worn or dilapidated, or which may be affected by any proceeding, and shall complete and pay for any structure at any time in the process of construction or repair on the Mortgaged Property. Except as expressly permitted in writing by Lender, Borrower shall not initiate, join in, acquiesce in, or consent to any change in any private restrictive covenant, zoning law or other public or private restriction limiting or defining the uses which may be made of the Mortgaged Property or any part thereof. Borrower shall not: (a) change the use of the Mortgaged Property as currently configured and utilized; (b) permit or suffer to occur any waste on or to the Mortgaged Property or to any portion thereof; or (c) take any steps whatsoever to convert the Mortgaged Property, or any portion thereof, to a condominium or cooperative form of ownership.

Section 2.08 **Payment of Taxes.** Borrower shall pay all real and personal taxes, assessments, water rates and sewer rents, now or hereafter levied, assessed or imposed against the Mortgaged Property or any part thereof (collectively, the "Taxes") and all ground rents, maintenance charges, other governmental impositions, and other charges, including without limitation vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Premises, now or hereafter levied, assessed or imposed against the Mortgaged Property or any part thereof (collectively, the "Other Charges") as they become due and payable. Borrower will deliver to Lender evidence satisfactory to Lender that the Taxes and Other Charges have been so paid, or are not then delinquent, no later than thirty (30) days following the date on which the Taxes and/or Other Charges would otherwise be delinquent if not paid. Borrower shall not suffer, and shall promptly cause to be paid and discharged, any lien or charge whatsoever which may be or become a lien or charge against the Mortgaged Property, and shall promptly pay for all utility services provided to the Mortgaged Property. Borrower shall furnish to Lender or its designee receipts for the payment of the Taxes, Other Charges and charges for utility services prior to the date such obligations shall become delinquent. Borrower shall be entitled to contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount of any Taxes or Other Charges. Notwithstanding the preceding sentence, during the pendency of any such contest, Borrower shall pay or cause to be paid all Taxes and Other Charges as and when due and payable.

Section 2.09 **Personal Property.** No materials, equipment or fixtures shall be purchased or installed on the Mortgaged Property under any security agreement, conditional sales contract or other agreement wherein the seller reserves a security interest in, or the right to remove or to repossess, such items or to consider them personal property after their incorporation into the work of construction, without Lender's written consent. Borrower represents and warrants all assets on the Mortgaged Property are owned by or leased by Borrower, and Borrower cannot and will not allow any personal Mortgaged Property to be stored on the Mortgaged Property which is not either owned or leased by Borrower.

Section 2.10 **Insurance.** Borrower shall maintain the insurance coverages for the Mortgaged Property as required in the Loan Agreement.

Section 2.11 **Homeowner's Association.** To the extent that the Mortgaged Property or any portion thereof is subject to a homeowner's association, Borrower shall comply with all requirements of such homeowner's association, including, without limitation, complying with the maintenance requirements and paying all assessments when and as due. Borrower shall provide Lender with copies of any notices that Borrower receives from the homeowner's association.

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Section 2.12 Compliance With Laws. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Mortgaged Property.

ARTICLE III

SECURITY AGREEMENT

Section 3.01 Debt.

(a) This Security Instrument and the interests created in favor of Lender hereunder are given for the purpose of securing the Obligations. Notwithstanding any provision of this Security Instrument to the contrary, the obligations of Borrower and any indemnitors under the Environmental Indemnity Agreement shall not be deemed secured by this Security Instrument unless and until Lender expressly declares in writing such obligations to be secured hereby.

(b) This Security Instrument constitutes a security agreement under the Code and serves as a fixture filing in accordance with the Code. This Security Instrument creates, and Borrower hereby grants to Lender, a security interest in favor of Lender as secured party under the Code with respect to all of the Mortgaged Property which is covered by the Code. The mention of any portion of the Mortgaged Property in a financing statement filed in the records normally pertaining to personal property shall not derogate from or impair in any manner the intention of Borrower and Lender hereby declared that all items of the Collateral are part of the real property encumbered hereby to the fullest extent permitted by law, regardless of whether any such item is physically attached to the Improvements or whether serial numbers are used for the better identification of certain items. Specifically, the mention in any such financing statement of: (i) the rights in or to the Proceeds of any policy of insurance; (ii) any condemnation Proceeds; (iii) Borrower's interest in any Leases or Property Income; or (iv) any other item included in the Mortgaged Property, shall not be construed to alter, impair or impugn any rights of Lender as determined by this Security Instrument or the priority of Lender's lien upon and security interest in the Mortgaged Property. Any such mention shall be for the protection of Lender in the event that notice of Lender's priority of interest as to any portion of the Mortgaged Property is required to be filed in accordance with the Code to be effective against or take priority over the interest of any particular class of Persons, including the federal government or any subdivision or instrumentality thereof.

ARTICLE IV

BORROWER COVENANTS

Section 4.01 Warranties, Representations and Covenants of Borrower. Borrower covenants, warrants, represents and agrees with and to Lender as follows:

(a) Borrower will pay the Debt at the time and in the manner provided in the Loan Documents and fully and punctually perform the Obligations when and as required by the Loan Documents. Borrower may not prepay the Debt except in strict accordance with the Loan Agreement.

(b) This Security Instrument constitutes a security agreement under the Code and serves as a fixture filing in accordance with the Code. This Security Instrument creates, and Borrower hereby grants to Lender, a security interest in favor of Lender as secured party under the Code with respect to all of the Mortgaged Property which is covered by the Code. The mention of any portion of the Mortgaged Property in a financing statement filed in the records normally pertaining to personal property shall not derogate from or impair in any manner the intention of Borrower and Lender hereby declared that all items of the Collateral are part of the real property encumbered hereby to the fullest extent permitted by law, regardless of whether any such item is physically attached to the Improvements or whether serial numbers are used for the better identification of certain items. Specifically, the mention in any such financing statement of: (i) the rights in or to the Proceeds of any policy of insurance; (ii) any condemnation Proceeds; (iii) Borrower's interest in any Leases or Property Income; or (iv) any other item included in the Mortgaged Property, shall not be construed to alter, impair or impugn any rights of Lender as determined by this Security Instrument or the priority of Lender's lien upon and security interest in the Mortgaged Property. Any

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such mention shall be for the protection of Lender in the event that notice of Lender's priority of interest as to any portion of the Mortgaged Property is required to be filed in accordance with the Code to be effective against or take priority over the interest of any particular class of Persons, including the federal government or any subdivision or instrumentality thereof.

(c) Except for the Permitted Encumbrances and the security interest granted by this Security Instrument, Borrower is and, as to portions of the Mortgaged Property to be acquired after the date hereof, will be the sole owner of the Mortgaged Property, free from any lien, security interest, encumbrance or adverse claim thereon of any kind whatsoever. Borrower shall notify Lender of, and shall defend the Mortgaged Property against, all claims and demands of all Persons at any time claiming the same or any interest therein.

(d) Except as expressly provided in the Loan Agreement and this Security Instrument, Borrower shall not lease, sell, convey or in any manner transfer the Mortgaged Property without the prior consent of Lender, provided however, Lender hereby confirms, that no prior consent shall be required of Lender in connection with the entering into a purchase agreement providing for the sale of the Mortgaged Property secured by this Security Instrument that would repay in full the applicable "Revolving Advance" (as defined in the Loan Agreement) made by Lender in connection with this Security Instrument.

(e) The Mortgaged Property is not and will not be used or bought for personal, family or household purposes of Borrower.

(f) The Collateral shall be kept on the Land or in the Improvements, and Borrower shall not remove the Collateral from the Land or the Improvements without the prior consent of Lender, except such portions or items of the Collateral as are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Borrower with items of equal or greater value.

(g) Borrower shall provide Lender upon Lender's request from time to time with an inventory of the Collateral by serial number and account number, as appropriate.

(h) Borrower shall not change its place of formation or its entity name without providing Lender with at least sixty (60) days' prior written notice. In the event of any change in name, identity or structure of Borrower, Borrower shall notify Lender thereof and promptly after request shall execute, file and record such Code forms as are necessary to maintain the priority of Lender's lien upon and security interest in the Mortgaged Property, and shall pay all expenses and fees in connection with the filing and recording thereof. If Lender shall require the filing or recording of additional Code forms or continuation statements, Borrower shall, promptly after request, execute, file and record such Code forms or continuation statements as Lender shall deem necessary, and shall pay all expenses and fees in connection with the filing and recording thereof. If Lender shall initially pay such expenses, Borrower shall promptly reimburse Lender for the expenses.

(i) Borrower hereby authorizes Lender to file with the appropriate public office, at Borrower's expense any financing statements, amendments or continuations thereof, identifying Borrower as debtor and Lender as secured party in connection with the Mortgaged Property.

(j) Borrower represents that its exact legal name is as set forth on the Cover Sheet of this Security Instrument.

(k) Borrower's Federal Tax Identification Number is 46-3976868 and Borrower's Organizational Number is 04582888.

(l) Borrower shall not file any termination statements concerning the Mortgaged Property without Lender's prior consent unless the Indebtedness or, in accordance with Section 6.10(b) hereof, the "Revolving Advance" (as defined in the Loan Agreement) associated with the Mortgaged Property, has been repaid and this Security Instrument has been released.

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(m) Where Collateral is in possession of a third party, Borrower will join with Lender in notifying the third party of Lender's interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Lender.

(n) Borrower will cooperate with Lender in obtaining control with respect to Collateral consisting of deposit accounts, investment property, letter of credit rights and electronic chattel paper.

Section 4.02 Financing Statements. A CARBON, PHOTOGRAPHIC OR OTHER REPRODUCTION OF THIS SECURITY INSTRUMENT OR ANY FINANCING STATEMENT RELATING TO THIS SECURITY INSTRUMENT SHALL BE SUFFICIENT AS A FINANCING STATEMENT.

Section 4.03 Addresses. The state of organization, organizational ID number and mailing address of Borrower and the address of Lender from which information concerning the security interest granted hereby may be obtained are set forth on the Cover Sheet and in the preamble of this Security Instrument. Borrower maintains its sole place of business or its chief executive office at the address shown in said preamble, and Borrower shall immediately notify Lender in writing of any change in said place of business or chief executive office.

Section 4.04 Fixture Filing. This Security Instrument shall constitute a fixture filing under the Code as to any goods and other personal property included in the Mortgaged Property in which Borrower has granted to Lender a security interest as provided in this Article IV which are or may become fixtures under applicable law. Borrower is the "debtor" and Lender is the "secured party" as such terms are defined in the Code. This fixture filing is to be recorded in the Official Records of Cook County, Illinois.

ARTICLE V

DEFAULT AND REMEDIES

Section 5.01 Remedies. Upon the occurrence of any Event of Default, Lender may take such actions against Borrower and/or the Mortgaged Property or any portion thereof as it deems advisable to protect and enforce its rights against Borrower and in and to the Mortgaged Property, without notice or demand except as set forth herein. Any such actions taken by Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of Lender permitted by law, equity or contract or as set forth herein or in the other Loan Documents. Such actions may include the following:

(a) Lender may declare the entire principal balance under the Note then unpaid, together with all accrued and unpaid interest thereon, prepayment fees thereunder, and all other unpaid Indebtedness, to be immediately due and payable.

(b) Lender may enter into or upon the Mortgaged Property or any portion thereof personally or by its agents, nominees or attorneys or by court-appointed receiver, and may dispossess Borrower and its agents and servants therefrom, and thereupon Lender at its sole discretion may: (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every portion of the Mortgaged Property and conduct business thereon, in any case either in the name of Lender or in such other name as Lender shall deem best; (ii) complete any construction on the Mortgaged Property or any portion thereof in such manner and form as Lender deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property or any portion thereof; (iv) exercise all rights and powers of Borrower with respect to the Mortgaged Property, whether in the name of Borrower or otherwise, including the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Property Income; and (v) apply the receipts of Property Income to the payment of the Indebtedness (including any prepayment fee payable under the Loan Agreement) in such order as Lender shall determine in its sole discretion, after deducting therefrom all expenses (including reasonable attorneys' fees, costs and expenses) incurred in connection with the aforesaid operations and all amounts necessary to pay the Impositions, insurance and other charges in connection with the Mortgaged Property, as well as just and reasonable compensation for the services of Lender, its agents, nominees and attorneys.

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(c) With or without entry, personally or by its agents, nominees or attorneys, Lender may sell all or any portion of the Mortgaged Property and all or any portion of Borrower's estate, right, title, interest, claim and demand therein and right of redemption thereof at one or more private or public sales in the manner and to the extent permitted by law, as an entirety or in parcels or portions.

(d) Lender may institute proceedings for the complete foreclosure of this Security Instrument, in which case the Mortgaged Property may be sold for cash or upon credit, as an entirety or in parcels or portions.

(e) Lender may institute proceedings for the partial foreclosure of this Security Instrument for the portion of the Indebtedness then due and payable, subject to the continuing lien of this Security Instrument for the balance of the Indebtedness not then due.

(f) Lender may institute an action, suit or proceeding at law or in equity for the specific performance of any covenant, condition or agreement contained in the Note, this Security Instrument or any other Loan Document, or in aid of the execution of any power granted hereunder or for the enforcement of any other appropriate legal or equitable remedy.

(g) Lender shall have the rights and may take such actions as are set forth, described or referred to in Article VII of this Security Instrument entitled "State Law Provisions" or as are permitted by the laws of the State.

(h) Lender may recover judgment on the Loan Agreement and the Note, either before, during or after any proceedings for the foreclosure or enforcement of this Security Instrument.

(i) Lender may, as a matter of strict right, apply to any court of competent jurisdiction for, and obtain appointment of, a receiver, trustee, liquidator or similar official of the Mortgaged Property or any portion thereof, and Borrower hereby consents and agrees to such appointment, without notice to Borrower and without regard to the adequacy of the security for the Indebtedness and without regard to the solvency of Borrower or any other Person liable for the payment of the Indebtedness, and such receiver or other official shall have all rights and powers permitted by applicable law and such other rights and powers as the court making such appointment may confer, but the appointment of such receiver or other official shall not impair or in any manner prejudice the rights of Lender to receive the Property Income pursuant to this Security Instrument. Borrower shall pay on demand all of Lender's fees and expenses and attorneys' fees and expenses incurred in connection with such application and appointment, plus interest thereon at the Default Rate, and all such amounts shall be additional indebtedness secured hereby.

(j) Lender may exercise any or all of the remedies available to a secured party under the Code.

(k) Lender may pursue any other rights and remedies of Lender permitted by law, equity or contract or as set forth herein or in the other Loan Documents.

(l) Lender may, in its sole discretion, apply any funds then on deposit with Lender, including but not limited to such funds on deposit for the payment of Impositions, ground rent or insurance premiums, to the payment of such items or to the repayment of the Indebtedness.

(m) Lender in its sole discretion may surrender any insurance policies and collect the unearned premiums and apply such sums against the Indebtedness.

Section 5.02 General Provisions Regarding Remedies.

(a) Proceeds of Sale. The proceeds of any sale of the Mortgaged Property or any part thereof received by Lender shall be distributed and applied in such order and priority as Lender deems appropriate in its sole discretion.

(b) Effect of Judgment. No recovery of any judgment by Lender and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of Borrower shall affect in any manner or to any extent the lien of this Security Instrument upon the Mortgaged Property or any portion thereof, or any rights,

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powers or remedies of Lender hereunder. Such lien, rights, powers and remedies of Lender shall continue unimpaired as before.

(c) Intentionally Omitted.

(d) Right to Purchase. At any sale of the Mortgaged Property or any portion thereof pursuant to the provisions of this Security Instrument, Lender shall have the right to purchase the Mortgaged Property being sold, and in such case shall have the right to credit against the amount of the bid made therefor (to the extent necessary) all or any portion of the Indebtedness then due.

(e) Right to Terminate Proceedings. Lender may terminate or rescind any proceeding or other action brought in connection with its exercise of the remedies provided in Section 5.01 at any time before the conclusion thereof, as determined in Lender's sole discretion and without prejudice to Lender.

(f) No Waiver or Release. Lender may resort to any remedies and the security given by the Loan Documents, in whole or in part, and in such portions and in such order as determined in Lender's sole discretion. No such action shall in any way be considered a waiver of any rights, benefits or remedies evidenced or provided by the Loan Documents. The failure of Lender to exercise any right, remedy or option provided in the Loan Documents shall not be deemed a waiver of such right, remedy or option or of any covenant or obligation secured by the Loan Documents. No acceptance by Lender of any payment after the occurrence of an Event of Default and no payment by Lender of any Advance or obligation for which Borrower is liable hereunder shall be deemed to waive or cure such Event of Default or Borrower's liability to pay such obligation. No sale of all or any portion of the Mortgaged Property, no forbearance on the part of Lender, and no extension of time for the payment of the whole or any portion of the Indebtedness or any other indulgence given by Lender to Borrower or any other Person, shall operate to release or in any manner affect Lender's interest in the Mortgaged Property or the liability of Borrower to pay the Indebtedness, except to the extent that such liability shall be reduced by proceeds of the sale of all or any portion of the Mortgaged Property received by Lender. No waiver by Lender shall be effective unless it is in a writing executed by Lender and then only to the extent specifically stated therein.

(g) No Impairment; No Release. The interests and rights of Lender under the Loan Documents shall not be impaired by any indulgence, including: (i) any renewal, extension or modification which Lender may grant with respect to any of the Indebtedness; (ii) any surrender, compromise, release, renewal, extension, exchange or substitution which Lender may grant with respect to the Mortgaged Property or any portion thereof; or (iii) any release or indulgence granted to any maker, endorser, guarantor or surety of any of the Indebtedness. If the Mortgaged Property is sold and Lender enters into any agreement with the then owner of the Mortgaged Property extending the time of payment of the Indebtedness, or otherwise modifying the terms hereof or of any other Loan Document, Borrower shall continue to be liable to pay the Indebtedness according to the tenor of any such agreement unless expressly released and discharged in writing by Lender.

(h) Waivers and Agreements Regarding Remedies. To the fullest extent that Borrower may legally do so, Borrower:

(i) agrees that Borrower will not at any time insist upon, plead, claim or take the benefit or advantage of any laws now or hereafter in force providing for any appraisal or appraisement, valuation, stay, extension or redemption, and waives and releases all rights of redemption, valuation, appraisal or appraisement, stay of execution, extension and notice of election to accelerate or declare due the whole of the Indebtedness;

(ii) waives all rights to a marshalling of the assets of Borrower, Borrower's partners, if any, and others with interests in Borrower, including the Mortgaged Property, or to a sale in inverse order of alienation in the event of foreclosure of the interests hereby created, and agrees not to assert any right under any laws pertaining to the marshalling of assets, the sale in inverse order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of Lender under the Loan Documents to a sale of the Mortgaged Property for the collection of the Indebtedness without any prior or different resort for collection, or the right of Lender to the payment of the Indebtedness out of the proceeds of sale of the Mortgaged Property in preference to every other claimant whatsoever;

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(iii) waives any right to bring or utilize any defense, counterclaim or setoff, other than one in good faith, which denies the existence or sufficiency of the facts upon which the foreclosure action is grounded or which is based on Lender's wrongful actions. If any defense, counterclaim or setoff (other than one permitted by the preceding sentence) is raised by Borrower in such foreclosure action, such defense, counterclaim or setoff shall be dismissed. If such defense, counterclaim or setoff is based on a claim which could be tried in an action for money damages, the foregoing waiver shall not bar a separate action for such damage (unless such claim is required by law or applicable rules of procedure to be pleaded in or consolidated with the action initiated by Lender), but such separate action shall not thereafter be consolidated with Lender's foreclosure action. The bringing of such separate action for money damages shall not be deemed to afford any grounds for staying any such foreclosure action;

(iv) waives and relinquishes any and all rights and remedies which Borrower may have or be able to assert by reason of the provisions of any laws pertaining to the rights and remedies of sureties;

(v) waives the defense of laches and any applicable statutes of limitation; and

(vi) waives any right to have any trial, action or proceeding tried by a jury.

(i) Lender's Discretion. Except as expressly set forth herein or in any other Loan Document to the contrary, Lender may exercise its rights, options and remedies and may make all decisions, judgments and determinations under this Security Instrument and the other Loan Documents in its sole and absolute discretion.

(j) Recitals of Facts. In the event of a sale or other disposition of the Mortgaged Property pursuant to Section 5.01 and the execution of a deed or other conveyance pursuant thereto, the recitals therein of facts (such as default, the giving of notice of default and notice of sale, demand that such sale should be made, postponement of sale, terms of sale, purchase, payment of purchase money and other facts affecting the regularity or validity of such sale or disposition) shall be conclusive proof of the truth of such facts. Any such deed or conveyance shall be conclusive against all Persons as to such facts recited therein.

(k) Lender's Right to Waive, Consent or Release. Lender may at any time, in writing: (i) waive compliance by Borrower with any covenant herein made by Borrower to the extent and in the manner specified in such writing; (ii) consent to Borrower's doing any act which Borrower is prohibited hereunder from doing, or consent to Borrower's failing to do any act which Borrower is required hereunder to do, to the extent and in the manner specified in such writing; or (iii) release any portion of the Mortgaged Property, or any interest therein, from this Security Instrument and the lien of the other Loan Documents. No such act shall in any way impair the rights of Lender hereunder except to the extent specified by Lender in such writing.

(l) Possession of the Mortgaged Property. Upon the occurrence of any Event of Default hereunder and demand by Lender at its option, Borrower shall immediately surrender or cause the surrender of possession of the Premises to Lender. If Borrower or any other occupant is permitted to remain in possession, such possession shall be as tenant of Lender and such occupant: (i) shall on demand pay to Lender monthly, in advance, reasonable use and occupancy charges for the space so occupied; and (ii) in default thereof, may be dispossessed by the usual summary proceedings. Upon the occurrence of any Event of Default and demand by Lender, Borrower shall assemble the Collateral and make it available at any place Lender may designate to allow Lender to take possession and/or dispose of the Collateral. The covenants herein contained may be enforced by a receiver of the Mortgaged Property or any portion thereof. Nothing in this Section 5.02(l) shall be deemed a waiver of the provisions of this Security Instrument prohibiting the sale or other disposition of the Mortgaged Property without the prior consent of Lender.

(m) Subrogation. If all or any portion of the proceeds of the Note or any Advance shall be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any prior lien or encumbrance upon the Mortgaged Property or any portion thereof, then Lender shall be subrogated to, and shall have the benefit of the priority of, such other lien or encumbrance and any additional security held by the holder thereof.

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ARTICLE VI

MISCELLANEOUS

Section 6.01 Notices. All notices, consents, approvals and requests required or permitted hereunder or under any other Loan Document shall be given in writing and shall be effective for all purposes if delivered to the Persons and locations and in the manner set forth in Section 7.14 of the Loan Agreement.

Section 6.02 Binding Obligations; Joint and Several. The provisions and covenants of this Security Instrument shall run with the land, shall be binding upon Borrower, its successors and assigns, and shall inure to the benefit of Lender and its successors and assigns. If there is more than one Borrower, all their obligations and undertakings hereunder are and shall be joint and several.

Section 6.03 Captions. The captions of the sections and subsections of this Security Instrument are for convenience only and are not intended to be a part of this Security Instrument and shall not be deemed to modify, explain, enlarge or restrict any of the provisions hereof.

Section 6.04 Severability. If any one or more of the provisions contained in this Security Instrument shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Security Instrument, but this Security Instrument shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 6.05 Amendments; Consents. This Security Instrument cannot be altered, amended, modified or discharged orally and no executory agreement shall be effective to modify or discharge it in whole or in part, unless in writing and signed by the party against which enforcement is sought. No consent or approval required hereunder or under any other Loan Document shall be binding unless in writing and signed by the party sought to be bound.

Section 6.06 Other Loan Documents and Exhibits. All of the agreements, conditions, covenants, provisions and stipulations contained in the Loan Agreement, the Note and the other Loan Documents, and each of them, which are to be kept and performed by Borrower are hereby made a part of this Security Instrument to the same extent and with the same force and effect as if they were fully set forth in this Security Instrument, and Borrower shall keep and perform the same, or cause them to be kept and performed, strictly in accordance with their respective terms. The Cover Sheet and each exhibit, schedule and rider attached to this Security Instrument are integral parts of this Security Instrument and are incorporated herein by this reference. In the event of any conflict between the provisions of any such exhibit, schedule or rider and the remainder of this Security Instrument, the provisions of such exhibit, schedule or rider shall prevail.

Section 6.07 Legal Construction. In all respects, including, without limitation, matters of construction and performance of this Security Instrument and the obligations arising hereunder, this Security Instrument shall be governed by, and construed in accordance with, the laws of the State in which the Premises are located applicable to contracts and obligations made and performed in such State and any applicable laws of the United States of America. Interpretation and construction of this Security Instrument shall be according to the contents hereof and without presumption or standard of construction in favor of or against Borrower or Lender. All terms contained herein shall be construed, whenever the context of this Security Instrument so requires, so that the singular number shall include the plural, and the plural the singular, and the use of any gender shall include all genders. The terms "include" and "including" as used in this Security Instrument shall be construed as if followed by the phrase "without limitation". The words "hereof," "herein" and "hereunder" and words of similar import when used in this Security Instrument shall refer to this Security Instrument as a whole and not to any particular provision of this Security Instrument, and Article, Section and Exhibit references contained in this Security Instrument are references to Articles, Sections and Exhibits in or to this Security Instrument unless otherwise specified. Any provision of this Security Instrument or in the other Loan Documents permitting the recovery of "attorneys' fees", "attorneys' fees and expenses", "attorneys' fees and costs" or "attorneys' fees, costs and expenses" or any similar term shall be deemed: (a) to include such attorneys' fees, costs and expenses; (b) to include such fees, costs and expenses incurred in all probate, appellate and bankruptcy proceedings, as well as any post-judgment proceedings to collect or enforce

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any judgment or order relating to the Indebtedness or any of the Loan Documents; and (c) shall be deemed to be separate and several, and shall survive merger into judgment.

Section 6.08 Merger. So long as any Indebtedness shall remain unpaid, fee title to and any other estate in the Mortgaged Property shall not merge, but shall be kept separate and distinct, notwithstanding the union of such estates in any Person.

Section 6.09 Time of the Essence. Time shall be of the essence in the performance of all obligations of Borrower under this Security Instrument.

Section 6.10 Repayment and Release.

(a) Repayment in full. If all of the Indebtedness is paid in full in accordance with the Loan Agreement, the Note, this Security Instrument and the other Loan Documents and all of the covenants, warranties, conditions, undertakings and agreements made in the Loan Agreement, the Note, this Security Instrument and the other Loan Documents are fully kept and performed, then in that event only all rights of Lender under this Security Instrument and the other Loan Documents shall terminate and the Mortgaged Property shall become wholly clear of the liens, grants, security interests, conveyances and assignments evidenced hereby and thereby, and Lender shall release or cause to be released such liens, grants, assignments, conveyances and security interests in due form at Borrower's cost (to the extent permitted by the law of the State), and this Security Instrument shall be void; provided, however, that no provision of this Security Instrument or any other Loan Document which, by its own terms, is intended to survive such payment, performance, and release (nor the rights of Lender under any such provision) shall be affected in any manner thereby and such provision shall, in fact, survive.

(b) Repayment of the Revolving Advance. If the "Revolving Advance" (as defined in the Loan Agreement) made in connection with this Security Instrument is repaid in full in accordance with the Loan Agreement, the Note, this Security Instrument and the other Loan Documents and provided that no Event of Default exists and no event or condition has occurred and is continuing that would be an Event of Default if notice had been given or applicable grace/cure periods had expired (or both), then in that event only all rights of Lender under this Security Instrument shall terminate and the Mortgaged Property shall be released as security for the Indebtedness and shall become wholly clear of the liens, grants, security interests, conveyances and assignments evidenced hereby, and Lender shall release or cause to be released such liens, grants, assignments, conveyances and security interests in due form at Borrower's cost (to the extent permitted by the law of the State), and this Security Instrument shall be void; provided, however, that no provision of this Security Instrument, which, by its own terms, is intended to survive such payment, performance, and release (nor the rights of Lender under any such provision) shall be affected in any manner thereby and such provision shall, in fact, survive.

(c) Release; General Matters. Recitals of any matters or facts in any release instrument executed by Lender under this Section 6.10 shall be conclusive proof of the truthfulness hereof. To the extent permitted by law, such an instrument may describe the grantee or releasee as "the person or persons legally entitled thereto" and Lender shall not have any duty to determine the rights of persons claiming to be rightful grantees or releasees of any of the Mortgaged Property. When this Security Instrument has been fully released or discharged by Lender, the release or discharge hereof shall operate as a reassignment of all future Leases and Property Income with respect to the Mortgaged Property to the person or persons legally entitled thereto, unless such release expressly provides to the contrary.

Section 6.11 Conflict. Notwithstanding anything to the contrary herein, this Security Instrument shall be subject to the terms and conditions of the Loan Agreement and in the event of any conflict between the terms and conditions of this Security Instrument and the terms and conditions of the Loan Agreement, the terms and conditions of the Loan Agreement shall prevail.

Section 6.12 GOVERNING LAW AND CONSENT TO JURISDICTION. THIS SECURITY INSTRUMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ILLINOIS. BORROWER HEREBY CONSENTS TO THE JURISDICTION OF ANY FEDERAL OR STATE COURT WITHIN THE STATE OF ILLINOIS HAVING PROPER VENUE AND ALSO CONSENTS TO SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY ILLINOIS OR FEDERAL LAW.

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ARTICLE VII

STATE LAW PROVISIONS

Section 7.01 Waiver of Redemption and Reinstatement. Borrower further agrees, to the full extent permitted by law, that in case of an Event of Default, neither Borrower nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisal, valuation, stay or extension laws now or hereafter in force, or take any other action that would prevent or hinder the enforcement or foreclosure of this Security Instrument or the absolute sale of the Mortgaged Property, or the final and absolute delivery of possession thereof, immediately after such foreclosure sale, of the purchaser thereof. Borrower, for itself and all who may, at any time, claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that Lender or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety. Borrower acknowledges that the transaction of which this Security Instrument is a part is a transaction that does not include either agricultural real estate (as defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101 et seq.; the "Illinois Act") or residential real estate (as defined in Section 15-1219 of the Illinois Act). On behalf of Borrower, and each and every person acquiring any interest in, or title to, the Mortgaged Property subsequent to the date of this Security Instrument, and on behalf of all other persons, to the maximum extent permitted by applicable law, Borrower hereby waives any and all rights: (x) of redemption from any foreclosure, or other disposition of any kind or nature, of the Mortgaged Property, or any part thereof, or interest therein, under or pursuant to rights herein granted to Lender; and (y) to reinstatement of the indebtedness hereby secured, including without limitation, any right to reverse any acceleration of such indebtedness pursuant to 735 ILCS 5/15-1602. All waivers by Borrower in this Security Instrument have been made voluntarily, intelligently and knowingly by Borrower, after Borrower has been afforded an opportunity to be informed by counsel of Borrower's choice as to possible alternative rights. Borrower's execution of this Security Instrument shall be conclusive evidence of the making of such waivers and that such waivers have been voluntarily, intelligently and knowingly made.

Section 7.02 Usury. Borrower represents and warrants that the amounts secured by this Security Instrument will be used for the purposes specified in paragraph 815 ILCS 205/4(1)(c), and that the principal obligation secured hereby constitutes a "business loan" within the purview of said paragraph.

Section 7.03 Leasing and Management Agreements. Borrower covenants and agrees that all agreements to pay leasing commissions (a) shall provide that the obligation to pay such commissions will not be enforceable against any party other than the party who entered into such agreement; (b) shall be expressly subordinate to the lien of this Security Instrument; and (c) shall not be enforceable against Lender. Borrower shall furnish Lender with evidence of the foregoing which is, in all respects, satisfactory to Lender. Borrower further covenants and agrees that all agreements to manage the Mortgaged Property (i) shall provide that the obligation to pay any amount thereunder will not be enforceable against any party other than the party who entered into such agreement; (ii) shall provide that such agreement, together with any and all liens and claims for lien that any manager or other person or entity performing the duties of a manager thereunder has, or may thereafter have thereunder, or for managing the Mortgaged Property or any part thereof, shall be, in all respects, subordinate to the lien of this Security Instrument; and (iii) shall not be enforceable against Lender. Borrower shall furnish Lender with evidence of the foregoing which is, in all respects, satisfactory to Lender.

Section 7.04 Future Advances. This Security Instrument secures, among other things, "revolving credit" as that term is defined in 815 ILCS 205/4.1, and is given to secure not only existing indebtedness, but also future advances resulting from any act or omission of Borrower, whether such advances are obligatory or are to be made at the option of Lender, or otherwise, and whether such advances are made before, during or after the pendency of any proceedings to foreclose the lien of this Security Instrument or otherwise enforce the rights of Lender hereunder, as are made within twenty (20) years from the date of this Security Instrument, to the same extent as if such further advances were made on the date of the execution of this Security Instrument. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but the total unpaid principal balance so secured at one time shall not exceed five (5) times the face amount of the Note, plus both interest thereon and any disbursements made for the payment of taxes, levies or insurance on the property encumbered by this Security Instrument, with interest on such disbursements at the Default Rate. The provisions of this paragraph shall

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not be construed to imply any obligation on Lender to make any future advances, it being the intention of the parties that any future advances shall be solely at the discretion and option of Lender.

Section 7.05 Illinois Collateral Protection Act. Unless Borrower provides Lender with evidence of the insurance coverage required by this Security Instrument, Lender may purchase insurance at Borrower's expense to protect Lender's interests in the Mortgaged Property. This insurance may, but need not, protect Borrower's interest. The coverage that Lender purchases may not pay any claim that Borrower may make or any claim that is made against borrower in connection with the Mortgaged Property. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that borrower has obtained insurance as required by this Security Instrument. If Lender purchases insurance for the Mortgaged Property, Borrower will be responsible for the costs of such insurance, including interest and any other charges that may be imposed in connection with the placement of such insurance, until the effective date of the cancellation or expiration of such insurance. Without limitation of any other provision of this Security Instrument, the cost of such insurance shall be added to the indebtedness secured hereby. The cost of the insurance may be more than the cost of insurance Borrower may be able to obtain on its own.

Section 7.06 Conflict. If any provision of this Security Instrument is inconsistent with any applicable provision of the Illinois Act, the provisions of the Illinois Act shall take precedence over the other provisions of this Security Instrument, but shall not invalidate or render unenforceable any other provision of this Security Instrument that can fairly be construed in a manner consistent with the Illinois Act.

Section 7.07 Expenses. Without limitation of anything contained herein, all expenses incurred by Lender, to the extent reimbursable under Sections 5/15-1510, 5/15-1512 or any other provision of the Illinois Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in any other provision of this Security Instrument, shall be added to the indebtedness secured by this Security Instrument and by the judgment of foreclosure.

Section 7.08 WAIVER OF JURY TRIAL. BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION ARISING IN ANY WAY IN CONNECTION WITH THIS SECURITY INSTRUMENT, THE NOTE OR ANY OF THE OTHER LOAN DOCUMENTS, OR ANY OTHER STATEMENTS OR ACTIONS OF BORROWER OR LENDER. BORROWER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS DISCUSSED THIS WAIVER WITH SUCH LEGAL COUNSEL. BORROWER FURTHER ACKNOWLEDGES THAT (I) IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER, (II) THIS WAIVER HAS BEEN REVIEWED BY BORROWER AND BORROWER'S COUNSEL AND IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THE LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS (III) THIS WAIVER SHALL BE EFFECTIVE AS TO EACH OF SUCH OTHER LOAN DOCUMENTS AS IF FULLY INCORPORATED THEREIN.


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IN WITNESS WHEREOF, Borrower has executed this Security Instrument as of the date first above written.

BORROWER:

AMSFR, LLC,
an Illinois limited liability company

By: 
Name: JAMES ATHANASOPOULOS
Its: AUTHORIZED SIGNATORY

Property of Cook County Clerk's Office

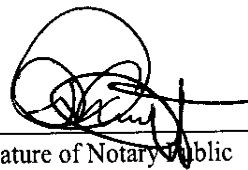
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STATE OF ILLINOIS)
)
COUNTY OF COOK) ss:

On Sept 18, 2015, before me, NIJOLE PETRAUSKAITE, a Notary Public, personally appeared JAMES ATHANASOPOULOS who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

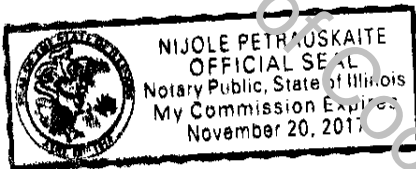
I certify under PENALTY OF PERJURY under the laws of the State of ILLINOIS that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature of Notary Public

[Seal]



UNOFFICIAL COPY

EXHIBIT "A"

LOT 18 (EXCEPT THE NORTH 15 FEET THEREOF) AND THE NORTH 7 FEET OF LOT 19 (EXCEPT THE WEST 16 FEET OF SAID LOTS 18 AND 19 IN BLOCK 4) IN DES PLAINES CENTER A SUBDIVISION IN SECTION 17, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOKCOUNTY, ILLINOIS.

Property address: 458 Oak Street, Des Plaines, IL 60016
Tax Number: 09-17-402-151

Property of Cook County Clerk's Office