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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Doc#: 1604013026 **Fee:** \$88.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 02/09/2016 10:27 AM Pg: 1 of 26

Report Mortgage Fraud
800-532-8785

The property identified as: **PIN:** 17-20-402-038-1019

Address:

Street: 1061 W. 16TH STREET, UNITS 209,401,411,P-1,P-2,

Street line 2: P-4,P-5, P-6,P-22,P-23,P-31,P-41 AND P-42

City: CHICAGO

State: IL

ZIP Code: 60608

Lender: Wintrust Bank

Borrower: Pilsen Lofts, LLC

Loan / Mortgage Amount: \$625,000.00

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

Certificate number: F60B28DF-B7EE-42CC-8ADD-98374C5AF007

Execution date: 2/5/2016

89805124C
①

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**THIS INSTRUMENT
PREPARED BY
AND RETURN TO:
GARY L. PLOTNICK**
Thompson Coburn LLP
55 East Monroe Street
37th Floor
Chicago, IL 60603

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

THIS MORTGAGE ASSIGNMENT OF LEASES AND RENTS, AND SECURITY AGREEMENT ("Mortgage") is made as of the 5th day of February, 2016 by **PILSEN LOFTS, LLC**, an Illinois limited liability company, with a mailing address of 1250 N. Paulina, Chicago, Illinois 60622 ("Mortgagor") in favor of **WINTRUST BANK**, an Illinois banking corporation, having its principal office at 231 S. LaSalle Street, 2nd Floor, Chicago, Illinois 60604 ("Lender").

WHEREAS, Mortgagor is in accordance with the terms and conditions of Loan Agreement of even date herewith by and between Mortgagor and Lender ("Loan Agreement") indebted to Lender in the principal sum of up to **Six Hundred Twenty Five Thousand and 00/100 Dollars (\$625,000.00)**, which indebtedness is evidenced by that certain Mortgage Note dated of even date herewith executed and delivered by Mortgagor to the Lender in the original principal amount of **Six Hundred Twenty Five Thousand and 00/100 Dollars (\$625,000.00)** and all modifications, substitutions, extensions and renewals thereof ("Note") providing for repayment of principal and interest and providing for a final payment of all sums due thereunder on **FEBRUARY 5, 2019**; and

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all charges provided herein and all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements contained herein and in the Note, all future advances and all other indebtedness of Mortgagor to Lender whether now or hereafter existing (collectively, "Indebtedness" or "Secured Indebtedness") and also in consideration of Ten Dollars (\$10.00), the receipt and sufficiency of which is acknowledged, Mortgagor does hereby convey, grant, mortgage and warrant to Lender the real estate ("Real Estate") located in the County of Cook, State of Illinois, described on Exhibit "A" attached hereto, subject only to Permitted Encumbrances (as defined in the Loan Agreement). The Real Estate has the common address of 1061 W. 16th Street, Units 209, 401, 409, 411, P-1, P-2, P-4, P-5, P-6, P-22, P-23, P-31, P-41 and P-42, Chicago, Illinois 60608; and

TOGETHER WITH all of Mortgagor's right, title, and interest in buildings, structures, improvements, tenements, fixtures, easements, mineral, oil and gas rights, water rights, appurtenances thereunto belonging, title or reversion in any parcels, strips, streets and alleys

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adjoining the Real Estate, any land or vaults lying within any street, thoroughfare or alley adjoining the Real Estate, and any privileges, licenses, and franchises pertaining thereunto, all of the foregoing now or hereafter acquired, all leasehold estates and all rents, issues, and profits thereof, for so long and during all such times as Mortgagor, its successors and assigns may be entitled thereto, all the estate, interest, right, title or other claim or demand which Mortgagor now has or may hereafter have or acquire with respect to (i): proceeds of insurance in effect with respect to the Property (as hereinafter defined) and (ii) any and all awards, claims for damages, settlements and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Property, including, without limitation, any awards and compensation resulting from a change of grade of streets and awards and compensation for severance damages (collectively "Awards") (which are pledged primarily and on a parity with the Real Estate and not secondarily), and all apparatus, equipment or articles owned by Mortgagor and now or hereafter located thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, and any other apparatus, equipment or articles owned by Mortgagor and used exclusively in the operation of the Property including all additions, substitutions and replacements thereof. All of the foregoing are declared to be a part of the Real Estate whether physically attached or not, and it is agreed that all similar apparatus, equipment, articles and fixtures owned by Mortgagor and hereafter placed on the Real Estate by Mortgagor or its successors or assigns shall be considered as constituting part of the Real Estate. (All of the foregoing, together with the Real Estate (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property").

To have and to hold the Property unto the Lender, its successors and assigns forever, for the purposes and uses set forth herein, free from all rights and benefits under any Homestead Exemption laws of the state in which the Property is located, which rights and benefits Mortgagor does hereby expressly release and waive.

Mortgagor and Lender covenant and agree as follows:

1. **Payment of Principal and Interest.** Mortgagor shall promptly pay or cause to be paid when due all Secured Indebtedness.
2. **Funds for Taxes and Insurance.** Subject to applicable law, during the continuance of an Event of Default and provided no tenant is then paying taxes and costs, if requested by Lender, in writing, Mortgagor shall thereafter pay or cause to be paid to Lender on the day monthly payments of principal and/or interest are payable under the Note, until the Note are paid in full, the following amounts (collectively "Funds"): (i) a sum equal to all general and special real estate and property taxes and assessments (including condominium and planned unit development assessments, if any) and ground rents on the Property, if any (collectively "Impositions") next due on the Property, all as reasonably estimated by Lender, divided by the whole number of months to elapse before the month prior to the date when such Impositions will become due and payable; provided, however, that in the case of the first such deposit, there shall be deposited, in addition, an amount which, when added to the aggregate amount of monthly sums next payable under this subparagraph (i), will result in a sufficient reserve to pay the Impositions next becoming due one (1) month prior to the date when such Impositions are, in fact, due and payable,

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plus (ii) a sum equal to an installment of the premium or premiums that will become due and payable to renew the insurance required in Paragraph 6, each installment to be in such an amount that the payment of approximately equal installments will result in the accumulation of a sufficient sum of money to pay renewal premiums for such insurance at least one (1) month prior to the expiration or renewal date or dates of the policy or policies to be renewed, if any, all as are reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held by Lender or, at Lender's election, in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency ("depository account"). Lender shall apply the Funds to pay the Impositions before they are delinquent, except that upon the occurrence of an Event of Default (as defined below), Lender may apply the Funds to the Secured Indebtedness as Lender sees fit. Lender shall not be required to pay any interest or earnings on the Funds unless otherwise required by law, in which case, all interest shall accrue in the depository account and Lender may charge for so holding and applying the Funds, analyzing the account or verifying and compiling assessments and bills. Lender shall provide to Mortgagor an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit was made. The Funds are pledged as additional security for the sums secured by this Mortgage. The Funds are for the benefit of Mortgagor and Lender only and no third party shall have any right to or interest in the Funds or the application thereof.

If the amount of Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of Impositions, shall exceed the amount required to pay said Impositions and insurance premiums as they fall due, such excess shall be retained by Lender or in the depository account and credited to subsequent monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay the Impositions and insurance premiums as they fall due, Mortgagor shall promptly pay or cause to be paid to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of all Secured Indebtedness, Lender shall promptly refund to Mortgagor, or to any person to whom Mortgagor directs, any Funds held by Lender. If, under Paragraph 18, the Property are sold or are otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the Secured Indebtedness.

3. **Application of Payments.** Unless prohibited by applicable law, all payments received by Lender under this Mortgage, the Loan Agreement, the Note and all other documents given to Lender to further evidence, secure or guarantee the Secured Indebtedness (collectively, the "Loan Documents") shall be applied by Lender first to payments required from Mortgagor to Lender under Paragraph 2, if any, then to any sums advanced by Lender pursuant to Paragraph 8 to protect the security of this Mortgage, then to interest payable on the Note, and then to the Note's principal (and if principal is due in installments, application shall be to such installments in the inverse order of their maturity).

Any applications to principal of proceeds from insurance policies, as provided in Paragraph 6, or of condemnation awards, as provided in Paragraph 10, shall not extend or postpone

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the due date of any monthly installments of principal or interest, or change the amount of such installments or of the other charges or payments provided in the Note or other Loan Documents.

4. **Prior Encumbrances; Liens.** Mortgagor shall perform all of Mortgagor's obligations under any mortgage, deed of trust or other security agreement (collectively "Prior Encumbrances") creating a lien having priority over this Mortgage, including Mortgagor's covenants to make payments when due. Any act or omission of Mortgagor which, with the giving of notice or the passage of time would constitute a default or event of default under any Prior Encumbrance or under any ground lease shall be an Event of Default under this Mortgage. Mortgagor shall promptly deliver to Lender all notices given or received of any defaults or events of default under any Prior Encumbrance or any ground lease. Nothing in this Paragraph shall be deemed to permit a Prohibited Transfer as defined in Paragraph 17 hereof.

Mortgagor shall keep the Property free from mechanics' and all other liens and encumbrances, except Permitted Encumbrances and statutory liens for real estate taxes and assessments not yet due and payable.

5. **Taxes and Assessments; Rents.** Subject to Section 2 above, Mortgagor shall pay or cause to be paid when due all Impositions and water, sewer and other charges, fines and Impositions attributable to the Property and leasehold payments, if any, and all other sums due under any ground lease attributable to the Property. Within thirty (30) days of the due date for the payment of the real estate taxes affecting the Property, Mortgagor shall provide to Lender evidence of payment of the real estate taxes affecting the Property satisfactory to Lender. Mortgagor shall have the right to contest any tax or assessment, and no lien in connection with that contest shall constitute a Default as long as Mortgagor either (a) pays under protest or deposits with Lender the full amount of the contested tax or assessment or (b) furnishes to Lender a bond or title indemnity in the amount of the contested tax or assessment issued by a bond or title insuring company acceptable to Lender.

6. **Insurance. Definitions.** For purposes of this Paragraph 6:

"Premises" means all land, improvements and fixtures.

"Real Estate" means only the land.

"Impositions" means all general and special real estate and property taxes and assessments (including condominium and planned unit developments assessments, if any) and ground rents on the Premises, if any.

a. Mortgagor, at its sole cost and expense, shall insure and keep insured (or cause to be insured) the Premises against such perils and hazards, and in such amounts and with such limits, as Lender may from time to time require, and, in any event, including:

(i) **All Risk.** Insurance against loss to the Premises which during construction shall be on an "All Risk" perils "Builders' Risk",

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non-reporting "Completed Value" form, and after completion of construction shall be on an "All Risk" policy form, in each case, covering insurance risks no less broad than those covered under a Standard Multi Peril (SMP) policy form, which contains a 1987 Commercial ISO "Causes of Loss - Special Form", including theft, and insurance against such other risks as Lender may reasonably require, including, but not limited to, insurance covering the cost of demolition of undamaged portions of any portion of the Premises when required by code or ordinance, the increased cost of reconstruction to conform with current code or ordinance requirements and the cost of debris removal. In addition, during construction such policies shall cover real estate property taxes; architect, engineering, and consulting fees; legal and accounting fees, including, but not limited to, the cost of in-house attorneys and paralegals; advertising and promotions expenses; interest on money borrowed; additional commissions incurred upon renegotiating leases and any and all other expenses which may be incurred as a result of any property loss or destruction by an insured. Such policies shall be in amounts equal to the full replacement cost of the Premises (other than the Real Estate), including all fixtures, equipment, construction materials and personal property on and off site, and Mortgagor's interest in any leasehold improvements. Such policies shall also contain a one hundred percent (100%) co-insurance clause with an agreed amount endorsement (with such amount to include the replacement cost of the foundation and any underground pipes), a permission to occupy endorsement and deductibles which are in amounts acceptable to Lender.

(ii) **Workers' Compensation.** During the construction of (or making of any alterations or improvements to) the Premises (i) insurance covering claims based on the owner's or employer's contingent liability not covered by the insurance provided in subsection (iv) below and (ii) workers' compensation insurance covering all persons engaged in such alterations or improvements.

(iii) **Flood.** Insurance against loss or damage by flood or mud slide in compliance with the Flood Disaster Protection Act of 1973, as amended from time to time, if the Premises is now, or at any time while the Secured Indebtedness remain outstanding shall be, situated in any area which an appropriate governmental authority designates as a special flood hazard area, Zone A or Zone V, in amounts equal to the full replacement value of all above grade structures on the Premises.

(iv) **Public Liability.** Commercial general public liability insurance against death, bodily injury and property damage arising in connection with the Premises. Such policy shall be written on a 1986 Standard ISO occurrence basis form or equivalent form, shall list Lender as the named insured, shall designate thereon the location of the Premises and have limits of at least One Million and 00/100 Dollars (\$1,000,000.00).

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Mortgagor shall also obtain excess umbrella liability insurance with such limits as the Lender may reasonably require, but in no event less than Three Million and 00/100 Dollars (\$3,000,000.00).

(v) **Contractor's Insurance.** During any period of construction, Mortgagor shall cause to be furnished to Lender certificates from the insurance carrier for each general contractor evidencing workers' compensation, employers' liability, commercial auto liability, and commercial general liability insurance (including contractual liability and completed operations coverage) written on a 1986 standard "ISO" occurrence basis form or its equivalent, with general liability insurance limits as Lender may reasonably require, but in no event less than One Million and 00/100 Dollars (\$1,000,000.00). Lender shall be named as an additional insured under such liability policies. Mortgagor, or its general contractor, shall cause each subcontractor to maintain commercial general liability, commercial automobile liability, workers' compensation and employer's liability insurance consistent with this Section 6.a(v).

(vi) **Rent Continuation.** Rent and rental value/extra expense insurance in amounts sufficient to pay during any period in which the Premises may be damaged or destroyed, on a gross rents basis for a period of twelve (12) months or such greater time as Lender may deem appropriate: (a) all rents derived from the Premises; (b) all amounts (including, but not limited to, all Impositions, utility charges and insurance premiums) required to be paid by Mortgagor or by tenants of the Premises; and (c) all contingent rents.

(vii) Intentionally deleted;

(viii) **Boiler and Machinery.** If necessary, broad form boiler and machinery insurance including business interruption/extra expense and rent and rental value insurance, on all equipment and objects customarily covered by such insurance and/or involved in the heating, cooling, electrical and mechanical systems of the Premises (if any are located at the Premises), providing for full repair and replacement cost coverage, and other insurance of the types and in amounts as Lender may reasonably require, but in no event less than that customarily carried by persons owning or operating like properties;

(ix) **Earthquake.** Insurance against loss or damage by earthquake, if the Premises are now, or at any time while the Secured Indebtedness remains outstanding shall be, situated in any area which is classified as a Major Damage Zone, Zones 3 and 4, by the International Conference of Building Officials in an amount equal to the probable maximum loss for the Premises, fixtures and equipment, plus the cost of debris removal;

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(x) Intentionally deleted.

b. **Policy Requirements.** All insurance shall: (i) be carried in companies with a Best's rating of A/VIII or better, or otherwise acceptable to Lender; (ii) in form and content acceptable to Lender; (iii) provide thirty (30) days' advance written notice to Lender before any cancellation, adverse material modification or notice of non-renewal; and (iv) to the extent limits are not otherwise specified herein, contain commercially reasonable deductibles.

All physical damage policies and renewals shall contain a standard mortgage clause naming the Lender as mortgagee, which clause shall expressly state that any breach of any condition or warranty by Mortgagor shall not prejudice the rights of Lender under such insurance; and a loss payable clause in favor of the Lender for personal property, contents, inventory, equipment, loss of rents and business interruption. All liability policies and renewals shall name the Lender as additional insureds. No additional parties shall appear in the mortgage or loss payable clause without Lender's prior written consent. In the event of the foreclosure of this Mortgage or any other transfer of title to the Premises in full or partial satisfaction of the Secured Indebtedness, all right, title and interest of Mortgagor in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee.

c. **Delivery of Certificates.** Any notice pertaining to insurance and required pursuant to this Paragraph 6 shall be given in the manner provided in Paragraph 15 below at Lender's address stated herein. The insurance shall be evidenced by certificates of insurance. Mortgagor shall use its best efforts to deliver certificates evidencing the policies or renewals to Lender at least thirty (30) days before the expiration of existing policies and, in any event, Mortgagor shall deliver certificates to Lender at least fifteen (15) days before the expiration of existing policies. Unless Mortgagor provides Lender evidence of the insurance coverages required hereunder, Lender may purchase insurance at Mortgagor's expense to cover Lender's interest in the Property. The insurance may, but need not, protect Mortgagor's interest. The coverages that Lender purchases may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the Property. Mortgagor may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Mortgagor has obtained insurance as required by this Mortgage. If Lender purchases insurance for the Property, Mortgagor will be responsible for the costs of such insurance, including, without limitation, interest and any other charges which Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Indebtedness. The cost of the insurance may be more than the cost of insurance Mortgagor may be able to obtain on its own.

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d. **Separate Insurance.** Mortgagor shall not carry any separate insurance on the Premises concurrent in kind or form with any insurance required hereunder or contributing in the event of loss without Lender's prior written consent, and any such policy shall have attached standard non-contributing mortgagee clause, with loss payable to Lender, and shall otherwise meet all other requirements set forth herein.

e. Intentionally deleted.

f. **Notice of Casualty.** Mortgagor shall give prompt notice of any loss to Lender. In case of loss covered by any of such policies that exceeds Twenty Five Thousand and 00/100 Dollars (\$25,000.00) ("Threshold"), Lender is authorized to adjust, collect and compromise in its discretion, all claims thereunder and in such case, Mortgagor covenants to sign upon demand, or Lender may sign or endorse on Mortgagor's behalf, all necessary proofs of loss, receipts, releases and other papers required by the insurance companies to be signed by Mortgagor. Lender may deduct from such insurance proceeds any reasonable expenses incurred by Lender in the collection and settlement thereof, including, but not limited to, attorneys' and adjusters' fees and charges. If the loss is less than or equal to the Threshold, then Mortgagor is authorized to adjust, collect and compromise in its discretion, all claims thereunder.

g. **Application of Proceeds.** If all or any part of the Premises shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Paragraph 10, Mortgagor shall promptly and with all due diligence restore and repair the Premises whether or not the net insurance proceeds, award or other compensation (collectively, the "Proceeds") are sufficient to pay the cost of such restoration or repair. Lender may require that all plans and specifications for such restoration or repair be submitted to and approved by Lender in writing prior to commencement of the work, which approval shall not be unreasonably withheld or delayed. At Lender's election, to be exercised by written notice to Mortgagor within thirty (30) days following Lender's receipt of notice of the casualty, the entire amount of the Proceeds, shall either: (i) be applied to the Secured Indebtedness in such order and manner as Lender may elect or (ii) be made available to Mortgagor on the terms and conditions set forth in this Paragraph 6 to finance the cost of restoration or repair with any excess to be applied to the Secured Indebtedness in the inverse order of maturity. Despite the foregoing, if (i) the loss is less than or equal to the Threshold or (ii) Lender has received satisfactory evidence that the restoration or repair can be completed no later than the date that is six (6) months prior to the Maturity Date and no Default then exists, then Lender shall permit the application of the proceeds to the restoration or repair of the damaged property, provided that such proceeds shall be deposited with the Title Company (as defined in the Loan Agreement) and paid out in accordance with the terms and conditions of the Loan Escrow Trust Agreement (as defined in the Loan Agreement). If the amount of the Proceeds to be made available to Mortgagor pursuant to this Paragraph 6 is less than

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the cost of the restoration or repair as estimated by Lender at any time prior to completion thereof, Mortgagor shall cause to be deposited with Lender the amount of such deficiency within thirty (30) days of Lender's written request therefor (but in no event later than the commencement of the work) and Mortgagor's deposited funds shall be disbursed prior to the Proceeds. If Mortgagor is required to deposit funds under this Paragraph 6, the deposit of such funds shall be a condition precedent to Lender's obligation to disburse the Proceeds held by Lender hereunder. The amount of the Proceeds which is to be made available to Mortgagor, together with any deposits made by Mortgagor hereunder, shall be held by Lender to be disbursed from time to time to pay the cost of repair or restoration either, at Lender's option, to Mortgagor or directly to contractors, subcontractors, material suppliers and other persons entitled to payment in accordance with and subject to such conditions to disbursement as Lender may reasonably impose to assure that the work is fully completed in a good and workmanlike manner and paid for and that no liens or claims arise by reason thereof. Lender may require: (i) evidence of the estimated cost of completion of such restoration or repair satisfactory to Lender; and (ii) such architect's certificate, waivers of lien, contractors' sworn statements, title insurance endorsements, plats of survey and other evidence of cost, payment and performance acceptable to Lender. If Lender requires mechanics' and materialmen's lien waivers in advance of making disbursements, such waivers shall be deposited with an escrow trustee acceptable to Lender pursuant to a construction loan escrow agreement satisfactory to Lender. No payment made prior to final completion of the repair or restoration shall exceed ninety percent (90%) of the value of the work performed from time to time. Lender may commingle any such funds held by it with its other general funds. Lender shall not be obligated to pay interest in respect of any such funds held by it nor shall Mortgagor be entitled to a credit against any of the Secured Indebtedness except and to the extent the funds are applied thereto pursuant to this Paragraph 6. Without limitation of the foregoing, Lender shall have the right at all times to apply such funds to the cure of any Event of Default or the performance of any obligations of Mortgagor under the Loan Documents.

7. **Use, Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Mortgagor shall (or cause its tenants to) keep the Property in good condition and repair and shall not commit waste or knowingly permit impairment or deterioration of the Property. Mortgagor shall comply with all requirements of law or municipal ordinances with respect to the use, operation, and maintenance of the Property, including all environmental, health and safety laws and regulations, and, subject to the rights of tenants under their leases, shall make no material alterations in the Property, except as required by law, without the prior written consent of Lender, which consent shall not be unreasonably withheld or delayed. Mortgagor shall not grant or knowingly permit any easements, licenses, covenants or declarations of use against the Property, except for a Permitted Exception. If this Mortgage is on a unit in a condominium or a planned unit development, Mortgagor shall perform all of Mortgagor's obligations under the declaration of covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents. If this Mortgage is on a ground leasehold, Mortgagor shall perform or cause to be performed all obligations of the lessee under the underlying ground lease.

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8. **Protection of Lender's Security.** If Mortgagor fails to perform any of the covenants and agreements contained in this Mortgage, the Note or the other Loan Documents and does not cure that failure within the applicable notice and cure period, or if any action or proceeding is threatened or commenced which materially and adversely affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Mortgagor, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as it deems expedient or reasonably necessary to protect Lender's interest, including: (i) making repairs; (ii) discharging Prior Encumbrances in full or part; (iii) paying, settling, or discharging tax liens, mechanics' or other liens, paying ground rents (if any); (iv) procuring insurance; and (v) renting, operating and managing the Property and paying operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Property shall be operational and usable for its intended purposes. Lender, in making payments of Impositions and assessments, may do so in accordance with any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of same or into the validity thereof.

Any amounts disbursed by Lender pursuant to this Paragraph 8 shall be part of the Secured Indebtedness and shall bear interest at the default interest rate provided in the Note (the "Default Rate"). Nothing contained in this Paragraph 8 shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account of this Paragraph 8.

9. **Inspection of Property and Books and Records.** Subject to the rights of tenants under their leases, and upon at least 24 hours prior written notice to Mortgagor, Mortgagor shall permit Lender and its representatives and agents to inspect the Property from time to time during normal business hours and as frequently as Lender requests. Mortgagor shall keep and maintain full and correct books and records showing in detail the income and expenses of the Property. From time to time upon not less than five (5) days written demand, Mortgagor shall permit Lender or its agents to examine and copy such books and records and all supporting vouchers and data at its offices or at the address identified above.

10. **Condemnation.** Subject to the rights of tenants under their leases to any portion of any award, the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid directly to Lender. Mortgagor hereby grants a security interest to Lender in and to such proceeds. Lender is authorized to collect such proceeds and, at Lender's sole option and discretion, to apply said proceeds either to restoration or repair of the Property or in payment of the Secured Indebtedness. In the event the Property is restored, Lender may pay the condemnation proceeds in accordance with its customary construction loan payment procedures, and may charge its customary fee for such services. Despite the foregoing, if any condemnation or taking of less than the entire Property occurs and provided that no Default then exists, and if the partial condemnation, in the reasonable discretion of Lender, has no material adverse effect on the operation or value of the Property, then the award or payment for the taking or consideration for damages resulting therefrom may be collected and received by Mortgagor, and Lender shall not declare the Secured Indebtedness to be due and payable, if it is not otherwise then due and payable.

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11. **Mortgagor Not Released; Forbearance by Lender Not a Waiver; Remedies Cumulative.** Extension or other modification granted by Lender to any successor in interest of Mortgagor of the time for payment of all or any part of the Secured Indebtedness shall not operate to release, in any manner, the liability of the Mortgagor. Any forbearance or inaction by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. Any acts performed by Lender to protect the security of this Mortgage, as authorized by Paragraph 8 or otherwise, shall not be a waiver of Lender's right to accelerate the maturity of the Secured Indebtedness. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively. No consent or waiver by Lender to or of any breach or default by Mortgagor shall be deemed a consent or waiver to or of any other breach or default.

12. **Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements contained herein shall bind, and the rights hereunder shall inure to, the respective executors, legal representatives, successors and assigns of Lender and Mortgagor. If this Mortgage is executed by more than one Mortgagor, each Mortgagor shall be jointly and severally liable hereunder.

13. **Loan Charges.** If the Loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Mortgagor which exceeded permitted limits ("Excess Loan Charges") will, at Lender's option, either be refunded to Mortgagor or applied as a credit against the then outstanding principal balance or accrued and unpaid interest thereon. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. Neither Mortgagor nor any other guarantor or obligor of the Note shall have any action against Lender for any damages whatsoever arising from the payment of Excess Loan Charges in accordance with the foregoing.

14. **Legislation Affecting Lenders' Rights.** If an enactment, modification or expiration of an applicable governmental law, ruling or regulation has the effect of rendering any provision of the Note, this Mortgage or any of the other Loan Documents unenforceable according to its terms, Lender, at its option upon giving written notice to Mortgagor allowing Mortgagor one hundred fifty (150) days to pay off the balance of the loan evidenced thereby, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by Paragraph 19.

15. **Notice.** Except for any notice required under applicable law to be given in another manner, any notices required or given under this Mortgage shall be given by hand delivery, by nationally recognized overnight courier service or by certified mail, return receipt requested. Notices shall be given to Mortgagor at the address provided below and to Lender at Lender's address stated above. Copies of notices to Lender shall be sent to Gary L. Plotnick, Thompson Coburn LLP, 55 East Monroe Street, 37th Floor, Chicago, Illinois 60603. Notices shall be deemed

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to have been given and effective on the date of delivery if hand-delivered, the next business day after delivery to the nationally recognized overnight courier service if by such courier service, or two business days after the date of mailing shown on the certified receipt, if mailed. Any party hereto may change the address to which notices are given by notice as provided herein. Notices to Mortgagor shall be sent to:

(a) If to Mortgagor: Pilsen Lofts, LLC
1250 N. Paulina
Chicago, Illinois 60622
Attn: Steven Lipe and Susan Lipe

(b) If to Lender: Wintrust Bank
231 S. LaSalle Street
2nd Floor
Chicago, IL 60604
Attn: Christopher Kellas

With a copy to: Thompson Coburn LLP
55 East Monroe Street
37th Floor
Chicago, IL 60603
Attn: Gary L. Plotnick

16. **Governing Law; Severability.** The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage, the Note or any of the other Loan Documents conflicts with applicable law, or is adjudicated to be invalid or unenforceable, same shall not affect other provisions of this Mortgage, the Note or any of the other Loan Documents which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage, the Note or any of the other Loan Documents are declared to be severable and the validity or enforceability of the remainder of the Loan Document in question shall be construed without reference to the conflicting, invalid or unenforceable clause or provision.

17. **Prohibitions on Transfer of the Property or of an Interest in Mortgagor.** Except as otherwise provided and permitted in the Loan Agreement, it shall be an immediate default if, without the prior written consent of Lender, which consent may be granted or withheld at Lender's sole discretion, Mortgagor shall create, effect or consent to or shall suffer or permit any lease (except in the ordinary course of business), conveyance, sale (including an installment sale), assignment, transfer, lien, pledge, hypothecation, mortgage, security interest, or other encumbrance or alienation, whether by operation of law, voluntarily or otherwise, (collectively "Transfer") of (1) the Property or any part thereof or interest therein; (2) all or a portion of the beneficial interest of Mortgagor or change in the power of direction, if Mortgagor is a trustee; (3) all or a portion of the stock of any corporate Mortgagor or corporate beneficiary of a trustee Mortgagor, that results or could result in a material change in the identity of the person(s) or entities previously in control of such corporation; or (4) all or a portion of a partnership, or joint venture interest of a joint venturer

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in the joint venture, if Mortgagor or Mortgagor's beneficiary, in the event Mortgagor is a trustee, consists of or includes a partnership or joint venture, that results or could result in a material change in the identity of the person(s) in control of such partnership or joint venture (each of the foregoing is referred to as a "Prohibited Transfer"). In the event of such default, Lender may declare the entire unpaid balance, including interest, immediately due and payable. The foregoing provisions of this Paragraph 17 shall not, however, apply to (a) the lien of current Impositions and assessments not yet due and payable, (b) liens securing the Indebtedness; (c) any transfers of the Property, or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint venture or membership interests, as the case may be, by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate or personal representatives; or (d) transfers of membership interests in Mortgagor to existing members of Mortgagor or family members of existing members or to trusts for estate planning purposes for the benefit of existing members or members of the transferor's family. This option shall not be exercised by Lender if prohibited by Federal law.

18. **Event of Default.** Each of the following shall constitute an event of default ("Event of Default") under this Mortgage:

- a. Mortgagor's failure to pay any amount due herein or secured hereby, or any installment of principal or interest within ten (10) days after written notice from Lender whether at maturity or by acceleration or otherwise under the Note, this Mortgage, or any other Loan Document;
- b. Mortgagor's failure to perform or observe any other covenant, agreement, representation, warranty or other provision contained in the Note, this Mortgage (other than an Event of Default described elsewhere in this Paragraph 18) or any other document or instrument evidencing, guarantying or securing the Secured Indebtedness that is not cured within 30 days after Mortgagor receives written notice of that failure from Lender; provided that if Mortgagor commences to cure the failure during the 30-day cure period and is diligently attempting to effect the cure, the cure period shall be extended to permit Mortgagor to complete the cure, but in no event shall the cure period be longer than 120 days;
- c. The occurrence of any breach in any material respect of any representation or warranty contained in this Mortgage or any other Loan Document;
- d. A Prohibited Transfer occurs;
- e. A court having jurisdiction shall enter a decree or order for relief in respect of Mortgagor in any involuntary case brought by a party other than Lender under any bankruptcy, insolvency, debtor relief, or similar law; or if Mortgagor, or any beneficiary of or person in control of Mortgagor, shall: (i) file a voluntary petition in bankruptcy, insolvency, debtor relief or for arrangement, reorganization or other relief under the Federal Bankruptcy Act or any similar state or federal law; (ii) consent to or suffer the appointment of or taking possession by a receiver, liquidator, or trustee (or similar official) of the Mortgagor or for any part of the

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Property or any substantial part of the Mortgagor's other property other than in connection with a request or proceeding initiated by or on behalf of Lender; (iii) make any assignment for the benefit of Mortgagor's creditors; (iv) fail generally to pay Mortgagor's debts as they become due;

f. All or a substantial part of Mortgagor's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon;

g. If Mortgagor is other than a natural person or persons: (i) the dissolution or termination of existence of Mortgagor, voluntarily or involuntarily, whether by reason of death of a general partner of Mortgagor or otherwise; (ii) the amendment or modification in any respect of Mortgagor's articles or agreement of partnership or its corporate resolutions or its articles of incorporation or bylaws that would materially and adversely affect Mortgagor's performance of its obligations under the Note, this Mortgage or the other Loan Documents;

h. This Mortgage shall not constitute a valid lien on and security interest in the Property (subject only to the Permitted Encumbrances), or if such lien and security interest shall not be perfected;

i. The Property is abandoned;

j. An indictment or other charge is filed against Mortgagor in any jurisdiction, under any federal or state law, for which forfeiture of the Property or of other collateral securing the Secured Indebtedness or of any other funds, property or other assets of Mortgagor or Lender, is a potential penalty (unless such charge is dismissed within ten (10) days after filing);

k. Intentionally deleted; or

l. The death or legal incapacity of any individual Guarantor, unless Mortgagor provides a substitute guarantor acceptable to the Lender within ninety (90) of the death or legal incompetency of such individual Guarantor.

19. **ACCELERATION; REMEDIES.** AT ANY TIME AFTER AN EVENT OF DEFAULT, LENDER, AT LENDER'S OPTION, MAY DECLARE ALL SUMS SECURED BY THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS TO BE IMMEDIATELY DUE AND PAYABLE WITHOUT FURTHER DEMAND AND MAY FORECLOSE THIS MORTGAGE BY JUDICIAL PROCEEDING. LENDER SHALL BE ENTITLED TO COLLECT IN SUCH PROCEEDING ALL ACTUAL EXPENSES OF FORECLOSURE, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COSTS INCLUDING ABSTRACTS AND TITLE REPORTS, ALL OF WHICH SHALL BECOME A PART OF THE SECURED INDEBTEDNESS AND IMMEDIATELY DUE AND PAYABLE, WITH INTEREST AT THE DEFAULT RATE. THE PROCEEDS OF ANY FORECLOSURE SALE OF THE PROPERTY SHALL BE APPLIED AS FOLLOWS: FIRST, TO ALL COSTS, EXPENSES AND

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FEES INCIDENT TO THE FORECLOSURE PROCEEDINGS; SECOND, AS SET FORTH IN PARAGRAPH 3 OF THIS MORTGAGE; AND THIRD, ANY BALANCE TO MORTGAGOR.

20. **Assignment of Leases and Rents.** All right, title, and interest of Mortgagor in and to those leases, if any, listed on Exhibit "C", attached hereto and made a part hereof, and all present and future leases affecting the Property, written or oral (collectively, "Leases"), and all rents, income, receipts, revenues, issues, avails and profits from or arising out of the Property (collectively "Rents") are hereby transferred and assigned to Lender as further security for the payment of the Secured Indebtedness, and Mortgagor hereby grants a security interest to Lender in and to the same. If requested by Lender, Mortgagor shall submit all future Leases affecting the Property to the Lender for its approval prior to execution, and all approved and executed Leases shall be specifically assigned to Lender by an instrument satisfactory to Lender. Each Lease shall, at the option of Lender, be paramount or subordinate to this Mortgage. Mortgagor shall furnish Lender with executed copies of each Lease and, if requested by Lender, but no more often than one (1) time in any calendar year, with estoppel letters from each tenant, which estoppel letters shall be in the form required under the applicable Lease or, if no form is required under the Lease, then in a form satisfactory to Lender and the tenant and shall be delivered no later than thirty (30) days after Lender's written demand.

If, without Lender's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, Mortgagor: (i) as lessor, fails to perform and fulfill any term, covenant, or provision in any Lease and does not cure that failure within the applicable notice and cure period set forth in the Lease; (ii) suffers or permits to occur any breach or default under the provisions of any separate assignment of any Lease given as additional security for the Secured Indebtedness and does not cure that failure within the applicable notice and cure period set forth in the separate assignment; (iii) fails to fully protect, insure, preserve, and cause continued performance or fulfillment of the terms, covenants, or provisions, which are required to be performed by the lessee or the lessor of any other Lease or Leases hereafter assigned to Lender; (iv) cancels, terminates, or materially amends or modifies any Lease, except as otherwise provided in the Loan Documents; or (v) permits or approves an assignment by lessee of a Lease or a subletting of all or any part of the Property demised in the Lease where Mortgagor has the right under the Lease to approve or disapprove the assignment or subletting; such occurrence shall constitute an Event of Default hereunder.

Lender shall have the right to assign Mortgagor's right, title and interest in any Leases to any subsequent holder of this Mortgage or the Note and other Loan Documents or to any person acquiring title to all or any part of the Property through foreclosure or otherwise.

During the continuance of an Event of Default, this Mortgage shall constitute a direction to each lessee under the Leases and each guarantor thereof, if any, to pay all Rents directly to Lender without proof of the Event of Default. Lender shall have the authority, as Mortgagor's attorney-in-fact (such authority being coupled with an interest and irrevocable) to sign the name of Mortgagor and to bind Mortgagor on all papers and documents relating to the operation, leasing and maintenance of the Property. While this assignment is a present assignment, Lender shall not exercise any of the rights or powers conferred upon it by this Paragraph unless an Event of Default shall be continuing under this Mortgage.

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If Mortgagor, as lessor, shall neglect or refuse to perform and keep all of the covenants and agreements contained in the Lease or Leases, then Lender may perform and comply with any such Lease covenants and agreements. All related costs and expenses incurred by the Lender shall become a part of the Secured Indebtedness and shall be due and payable upon demand by Lender with interest thereon accruing thereafter at the Default Rate.

Lender, however, shall not be obligated to perform or discharge any obligation, duty or liability under any Lease unless Lender becomes the fee simple title owner of the Property. Mortgagor shall, defend, protect, indemnify and hold Lender harmless from and against any and all liability, loss or damage to Lender under the Leases or under or by reason of their assignments and of and from any and all claims and demands whatsoever which may be asserted against Lender by reason of all alleged obligations or undertakings on its part to perform or discharge any Lease terms, covenants or agreements except those resulting from Lender's negligence or willful misconduct. The amount of any such liability, loss or damage arising under the Leases or under or by reason of their assignment, or in the defense of any claims or demands, including costs, expenses and reasonable attorneys' fees, incurred by Lender shall be a part of the Secured Indebtedness due and payable upon demand with interest thereon accruing thereafter at the Default Rate.

21. **Appointment of Receiver.** Upon acceleration under Paragraphs 17 or 19, or abandonment of the Property, and without further notice to Mortgagor, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the Rents including those past due. The receiver shall have the power to collect the Rents from the time of acceleration through the pendency of any foreclosure proceeding and during the full statutory period of redemption, if any. All Rents collected by the receiver shall be applied as the appointing court may direct and, in the absence of such direction, first to payment of the reasonable costs and expenses of the management of the Property and collection of rents, including, but not limited to, reasonable receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then as provided in Paragraph 3. The receiver shall be liable to account only for those Rents actually received.

22. **Release.** Upon payment of all Secured Indebtedness, as set forth in the Loan Agreement, Lender shall release this Mortgage upon payment by Mortgagor of all costs and fees to release same, if any. Mortgagor shall be responsible for recording the release, including all related costs of recordation.

23. **Security Agreement.** Without limiting any other provisions of this Mortgage, this Mortgage constitutes a "security agreement" under the Uniform Commercial Code of the State of Illinois (herein called the "Code") with respect to all fixtures, apparatus, equipment or articles, and all replacements and substitutions, now or hereafter owned by Mortgagor and located on the Property as set forth in the description of the Property above, including but not limited to the air-conditioning, heating, gas, water, power, light, refrigeration, and ventilation systems which are presently located at the Property, and with respect to all Funds and other sums which may be deposited with Lender pursuant hereto (all for the purposes of this Paragraph called "Collateral"), and Mortgagor hereby grants to Lender a security interest in such Collateral. All of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral

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as fully and to the same extent as to any other property comprising the Property. When the Secured Indebtedness shall become due, whether by acceleration or otherwise, Lender shall have all remedies of a secured party under the Code. This Mortgage is intended to be a financing statement with respect to any other Collateral which constitutes "fixtures" within the meaning of the Code. Mortgagor shall execute and deliver to Lender any financing statements necessary to perfect the security interest in the Collateral created hereby. Any Code requirement for reasonable notice shall be met if such notice is delivered as provided herein at least five (5) days prior to the time of any sale, disposition, or other event or matter giving rise to the notice (which period of time and method of notice is agreed to be commercially reasonable).

24. **Zoning.** The Property is zoned to permit the Mortgagor's intended use of the Property. Mortgagor will not initiate or acquiesce in a zoning reclassification without Lender's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed).

25. **Principal Amount of Mortgage.** At no time shall the principal amount of the indebtedness secured by this Mortgage not including sums advanced for Impositions and insurance premiums or to protect the security of this Mortgage, exceed the stated principal amount of the Note plus Six Hundred Twenty Five Thousand and 00/100 Dollars (\$625,000.00).

26. **Business Loan.** Mortgagor hereby represents and warrants that:

a. the proceeds of the Secured Indebtedness (the "Loan") will be used for the purposes specified in 815 ILCS 205/4(1)(I), as amended;

b. the Loan constitutes a "business loan" within the purview of that Section;

c. the Loan is a transaction exempt from the Truth in Lending Act, 15 U.S.C. 1601, et seq.; and

d. the proceeds of the Secured Indebtedness will not be used for the purchase of registered equity securities within the purview of Regulation "U" issued by the Board of Governors of the Federal Reserve System.

27. Intentionally deleted.

28. **Environmental Compliance.** Mortgagor acknowledges that concurrently herewith Mortgagor has executed and delivered to Lender an Environmental Indemnity Agreement ("Indemnity") pursuant to which Mortgagor and Guarantor (as defined in the Loan Agreement) have fully indemnified Lender for certain environmental matters concerning the Property, as more particularly described therein. The provisions of the Indemnity are hereby incorporated herein and this Mortgage shall secure the obligations of Mortgagor thereunder. Mortgagor agrees to abide by all of the provisions of the Indemnity.

29. **Compliance with Illinois Mortgage Foreclosure Law.** If any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (735

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ILCS 5/15-1101 et. seq., as amended (the "Act"), the provisions of the Act shall take precedence over the Mortgage provisions, but shall not invalidate or render unenforceable any other Mortgage provision that can be construed in a manner consistent with the Act. If any Mortgage provision shall grant to Lender any rights or remedies upon Mortgagor's default which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of such provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in Paragraph 19 of this Mortgage, shall be added to the Secured Indebtedness secured by this Mortgage or by the judgment of foreclosure.

30. **Interpretation.** The headings of paragraphs in this Mortgage are for convenience only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions. The use of singular and plural nouns, and masculine, feminine, and neuter pronouns, shall be fully interchangeable, where the context so requires. Time is of the essence of the payment and performance of this Mortgage.

31. Intentionally deleted.

32. **Waiver of Right of Redemption.** To the full extent permitted by law, Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Property, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or after such sale or sales claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshaling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagor and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date hereof, it being the intent hereof that any and all such right of redemption of Mortgagor, and of all other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Mortgagor agrees that it will not by involving or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Lender, but will suffer and permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note.

33. Intentionally Deleted.

34. Intentionally Deleted.

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35. **WAIVER OF JURY TRIAL.** MORTGAGOR AND LENDER WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (i) UNDER THIS MORTGAGE, THE OTHER LOAN DOCUMENTS OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH; OR (ii) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS. MORTGAGOR AND LENDER AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

36. **Interest Rate and Maturity Date.** See Rider "A" attached hereto for a description of the nature and amount of the Indebtedness secured hereby, the current due dates thereof and the current rates of interest applicable thereto. The nature of the Indebtedness secured hereby, the due dates thereof and the rates of interest applicable thereto may be modified from time to time without further modification to this Mortgage, provided (a) the interest rate for any obligations secured by this Mortgage shall not exceed 25% per annum, and (b) the final scheduled maturity date of the loans secured by this Mortgage shall not extend past 20 years after the date of this Mortgage, in each case without further modifications to this Mortgage.

[signature page follows]

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date and year first above written.

PILSEN LOFTS, LLC, an Illinois liability company

By: [Signature]
Name: Stacy Lynn
Its: Manager

[Mortgage]

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

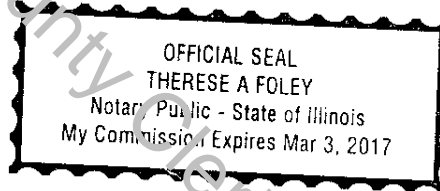
I, Therese A. Foley, a Notary Public in and for said County and State, **DO HEREBY CERTIFY** that Susan Lipe, as Manager of **PILSEN LOFTS, LLC**, an Illinois limited liability company, whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument, on behalf of said company and as his free and voluntary act, and as the duly authorized and free and voluntary act of the company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this 4 day of February, 2016.

Therese A. Foley
Notary Public

My Commission expires: 03-03-2017

[Notary Page- Mortgage]



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EXHIBIT "A"

Legal Description

UNITS 209, 401, 409, 411, P-1, P-2, P-4, P-5, P-6, P-22, P-23, P-31, P-41 AND P-42 IN CHANTICO LOFTS CONDOMINIUM AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:

PARCEL 1:

LOTS 20 TO 24 IN RESUBDIVISION OF LOTS 20 TO 29, INCLUSIVE, IN SHIELD'S SUBDIVISION OF LOT 3 IN ASSESSOR'S DIVISION AND ALLEYS SOUTH AND ADJOINING, OF THE NORTH $\frac{1}{4}$ OF THE SOUTHEAST $\frac{1}{4}$ OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 18 AND 19 IN SHIELDS SUBDIVISION OF LOT 3 IN ASSESSORS DIVISION OF LOT 3 IN ASSESSOR'S DIVISION AND ALLEYS SOUTH AND ADJOINING, OF THE NORTH $\frac{1}{4}$ OF THE SOUTHEAST $\frac{1}{4}$ OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 0630517087 TOGETHER WITH THEIR UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, ALL IN COOK COUNTY, ILLINOIS.

PIN(s): 17-20-402-038-1019
 17-20-402-038-1033
 17-20-402-038-1040
 17-20-402-038-1042
 17-20-402-038-1043
 17-20-402-038-1044
 17-20-402-038-1046
 17-20-402-038-1047
 17-20-402-038-1048
 17-20-402-038-1064
 17-20-402-038-1065
 17-20-402-038-1073
 17-20-402-038-1083
 17-20-402-038-1084

Common Address: 1061 West 16th Street, Units 209, 401, 409, 411, P-1, P-2, P-4, P-5, P-6, P-22, P-23, P-31, P-41 and P-42
 Chicago, IL 60608

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EXHIBIT "B"

Intentionally Deleted

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A handwritten signature in black ink, appearing to be 'M. L.' or similar, written over the diagonal watermark.A second handwritten signature in black ink, appearing to be 'W. J.' or similar, written below the first signature.

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EXHIBIT "C"

Leases

Rent Roll

Rent Roll Chantico lofts - 1061

Unit	Lease Start	Lease End	Actual		Comments
			Monthly rent	Unit Sq. Ft.	
209	6/1/2014	5/31/2016	\$ 1,845	1,270	2BR /2 Bath, 12 ft ceilings
401	10/1/2015	8/31/2016	\$ 2,275	1,300	3BR/2 Bath, 14 ft ceilings
409	4/15/2015	4/30/2016	\$ 2,290	1,477	3BR/2 Bath, 14 ft ceilings
411	4/1/2015	4/30/2016	\$ 1,925	1,474	2BR /2 Bath, 14 ft ceilings
P-4	4/1/2016	4/30/2016	\$115		Lower Level N
P-5	9/23/2015	7/31/2016	\$115		Lower Level N
P-6	11/15/2015	4/30/2017	\$115		Lower Level N
P-22	4/15/2015	4/30/2016	\$145		Lower Level N, HC space
P-23	10/1/2015	8/31/2016	\$95		Upper Level South
P-31	6/19/2014	5/31/2016	\$90		Upper Level South
P-41	9/15/2015	8/31/2016	\$90		Upper Level South
P-42	10/1/2015	7/31/2016	\$90		Upper Level South
P-1	5/1/2013	4/30/2016	\$65		Alley Pad Space
P-2	9/1/2013	8/31/2016	\$65		Alley Pad Space

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Rider "A"

The loan secured by the Mortgage are summarized as follows. The information below is effective as of the date of this Mortgage:

<u>Instrument</u>	<u>Principal Balance</u>	<u>Current Maturity Date</u>	<u>Current Non-Default Per Annum Interest Rate</u>
Mortgage Note	\$625,000.00	February 5, 2019	4.25%

6304326.3

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