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JOSEPH MOTOR AUTO SALES, INC., an Illinois corporation, as mortgagor
(Mortgagor)

to

CHICAGO LAND BUSINESS OPPORTUNITY FUND LLC, a wholly owned subsidiary of
Valley Economic Development Center, Inc., as mortgagee
(Mortgagee)

**THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND
LEASES AND FIXTURE FILING
(COOK COUNTY)**

Dated: December ____, 2016

Location (Parcel #1): 2324-42 N. Pulaski Road, Chicago, IL 60639

PREPARED BY AND UPON
RECORDATION RETURN TO:

Golenbock Eiseman Assor Bell & Peskoe LLP
711 Third Avenue
New York, New York 10017
Attention: Larry A. Welch

**THIS SECURITY INSTRUMENT COVERS GOODS THAT ARE OR WILL BECOME
FIXTURES ON THE DESCRIBED REAL PROPERTY AND SHOULD BE FILED FOR
RECORD IN THE REAL PROPERTY RECORDS WHERE MORTGAGES AND DEEDS
OF TRUST ON REAL ESTATE ARE RECORDED. THIS SECURITY INSTRUMENT
SHOULD ALSO BE INDEXED AS A UNIFORM COMMERCIAL CODE FINANCING
STATEMENT COVERING GOODS THAT ARE OR WILL BECOME FIXTURES ON
THE DESCRIBED REAL PROPERTY, THE MAILING ADDRESSES OF THE
SECURED PARTY (MORTGAGEE) AND THE DEBTOR (MORTGAGOR) ARE
WITHIN.**

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After Recording Return To:
 Golenbock Eiseman Assor Bell & Peskoe LLP
 711 Third Avenue, 17th Floor
 New York, New York 10017
 Attention: Larry A. Welch

_____ [Space Above This Line For Recording Data] _____

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

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING made as of December __, 2016, by JOSEPH MOTOR AUTO SALES, INC., an Illinois corporation, having an address of 2415-19 N. Pulaski Road, Chicago, IL 60639 ("*Mortgagor*"), in favor of **CHICAGOLAND BUSINESS OPPORTUNITY FUND LLC**, a wholly owned subsidiary of Valley Economic Development Center, Inc., having an address of 5121 Van Nuys Blvd., 3rd Floor, Van Nuys, CA 91403, attention: Lending Department (together with its successors and assigns, "*Mortgagee*").

WITNESSETH, that to secure the payment of indebtedness in the principal sum of up to ONE MILLION AND FIFTY DOLLARS AND 00/100 DOLLARS (\$1,050,000.00), in lawful money of the United States, to be paid according to the Loan Agreement (defined below), plus all other Secured Obligations (defined below), Mortgagor hereby irrevocably GRANTS, BARGAINS, CONVEYS, TRANSFERS and absolutely, unconditionally and irrevocably ASSIGNS to Mortgagee, WITH POWER OF SALE and right of entry and possession, the entire right, title and interest of Mortgagor in and to the Property (defined below). Mortgagee, its successors and assigns, subject to the terms of this Security Instrument, are to have and to hold all such Property forever in trust WITH THE POWER OF SALE, for the purposes and uses set forth in this Security Instrument, and the buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter located thereon (the "*Improvements*");

TOGETHER with all right, title and interest of the Mortgagor in and to all easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Land and the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Mortgagor of, in and to the Property and the Improvements and every part and parcel thereof, with the appurtenances thereto (hereinafter collectively called, "*Easements and Appurtenances*");

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TOGETHER with all fixtures, chattels and articles of personal property now or hereafter attached to or used in connection with said premises, including, but not limited to, furnaces, boilers, oil burners, radiators and piping, coal stokers, plumbing and bathroom fixtures, refrigeration, air conditioning and sprinkler systems, wash-tubs, sinks, gas and electric fixtures, stoves, ranges, awnings, screens, window shades, elevators, motors, dynamos, refrigerators, kitchen cabinets, incinerators, plants and shrubbery, and all other equipment and machinery, appliances, fittings and fixtures of every kind, in or used in the operation of the buildings standing on said premises, together with any and all replacements thereof and additions thereto (hereinafter collectively called the "*Equipment*");

TOGETHER with all awards heretofore and hereafter made to the Mortgagor for taking by eminent domain the whole or any part of said premises or any easement therein, including any awards for changes of grade of streets (hereinafter collectively called the "*Awards*"), which said awards are hereby assigned to Mortgagee, who is hereby authorized to collect and receive the proceeds of such awards and to give proper receipts and acquittances therefor, and to apply the same toward the payment of the mortgage debt, notwithstanding the fact that the amount owing thereon may not then be due and payable;

TOGETHER with all other Property (as hereafter defined), and the said Mortgagor hereby agrees, upon request, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning said awards to Mortgagee free, clear and discharged of any encumbrances of any kind or nature whatsoever;

AND, WITNESSETH, Mortgagor hereby acknowledges that it has received benefits from the extensions of Debt to Mortgagor and, as a result of these benefits, the Mortgagor covenants and agrees with the Mortgagee as follows:

I. DEFINITIONS

Capitalized terms used herein and not otherwise defined shall have the meaning assigned thereto in the Loan Agreement (as hereafter defined). As used herein, the following terms have the following meanings (terms defined in singular to have the same meaning when used in plural and vice versa):

- (a) "*Affiliate Loan Agreement*" means that certain Loan Agreement, dated as of the date hereof, by and among Chicago Title Land Trust Company Trust Number 1958, Mortgagor, certain of its affiliates, as guarantors and Mortgagee, as amended, amended and restated, supplemented, modified, renewed, extended, refinanced or replaced from time to time.
- (b) "*Business Day*" means any day that is not a Saturday, Sunday or other day on which commercial banks in the City of Los Angeles, California are authorized or required by law to remain closed.
- (c) "*Debt*" means a loan in the original principal amount of up to ONE MILLION AND FIFTY DOLLARS AND 00/100 DOLLARS (\$1,050,000.00) (the

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“*Maximum Principal Amount*”), together with all interest accrued and unpaid thereon and all other sums due to Mortgagee in respect of the foregoing under the Loan Agreement.

- (d) “*Guaranty*” means that certain Guaranty dated as of the date hereof, by the Mortgagor and other in favor of Mortgagee (in respect of the Affiliate Loan Agreement), as amended, amended and restated, supplemented or otherwise modified from time to time.
- (e) “*Loan Agreement*” means that certain Loan Agreement, dated as of the date hereof, by and among Mortgagor, certain of its affiliates, as guarantors and Mortgagee, as amended, amended and restated, supplemented, modified, renewed, extended, refinanced or replaced from time to time.
- (f) “*Secured Obligations*” means the Debt and other obligations of Mortgagor owing to Mortgagee under the Loan Agreement, the Affiliate Loan Agreement, the Note, the Guaranty, this Security Instrument, each other agreement entered into or delivered by Mortgagor in connection herewith or therewith, or any other contractual arrangement by Mortgagor on one side, and Mortgagee on the other.
- (g) “*Security Instrument*” means this Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, which is dated as of December __, 2016, together with all Riders to this document.

As used in this Security Instrument: (a) words of the masculine gender mean and include corresponding words of the feminine and neuter genders; (b) words in the singular mean and include the plural, and words in the plural mean and include the singular; and (c) the word “may” gives sole discretion without any obligation to take any action. Additionally, wherever used in this Security Instrument, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the word “Mortgagor” shall mean “Mortgagor and/or any subsequent owner or owners of the Property,” the word “Mortgagee” shall mean “Mortgagee or any subsequent holder or holders of this Security Instrument,” the word “Person” shall mean “an individual, corporation, partnership or unincorporated association,” and pronouns of any gender shall include the other genders, and either the singular or plural shall include the other.

II. GRANTOR’S TRANSFER TO LENDER OF RIGHTS IN THE PROPERTY

Mortgagor each gives, grants, bargains, sells, transfers, assigns, sets over, conveys and confirms unto Mortgagee the Property (as hereafter defined) subject to the terms of this Security Instrument. This means that, by signing this Security Instrument, Mortgagor is giving Mortgagee those rights that are stated in this Security Instrument and also those rights that applicable law gives to lenders who hold mortgages on real property. Mortgagor is giving Mortgagee these rights to protect Mortgagee from possible losses that might result if:

- (a) Mortgagor fail to pay all the amounts that Mortgagor owes Mortgagee under the Loan Agreement, the Guaranty and the other Loan Documents to which it is a party;

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- (b) Mortgagor fails to pay, with interest, any amounts that Mortgagee spends under the Loan Agreement, the Guaranty or this Security Instrument to protect the value of the Property and Mortgagee's rights in the Property; and
- (c) Mortgagor fails to keep all other promises and agreements under this Security Instrument, the Loan Agreement, the Guaranty and the other Loan Documents.

This Security Instrument may not be transferred by Mortgagor except with the prior written consent of the Mortgagee, in Mortgagee's sole discretion.

III. DESCRIPTION OF THE PROPERTY

Mortgagor gives Mortgagee, WITH POWER OF SALE together with right of entry and possession (as applicable), and all of Mortgagor's other rights and interests in the property described in (a) through (k) below, to have and to hold unto Mortgagee, forever, together with all the improvements now or hereafter erected on such property, and all easements, appurtenances, and fixtures now or hereafter a part of such property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing and the following are referred to in this Security Instrument as the "*Property*."

- (a) The property which is located at 2324-42 N. Pulaski Road, Chicago, IL 60639; this property is in Cook County having the legal description attached hereto as **Exhibit A** (the "*Land*");
- (b) all buildings and other Improvements that are located on the Land;
- (c) all rights in the Easements and Appurtenances attached, related to or derived from the Property;
- (d) all rights that Mortgagor has in the land which lies in the streets or roads in front of, or next to, the Land;
- (e) all Equipment and fixtures that are now or in the future will be on the Land and the Improvements;
- (f) all leases and other similar agreements affecting the use, enjoyment, or occupancy of the Land and the Improvements heretofore or hereafter entered into (the "*Leases*") and all rents, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Land and the Improvements (the "*Rents*") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt;
- (g) all of the rights and property described in subsections (b) through (f) of this section that Mortgagor acquires in the future;
- (h) all replacements of or additions to the rights and property described in subsections (b) through (g) of this section and, subject to other provisions of this Security Instrument, all Awards and Insurance Proceeds (defined below) for loss or

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damage to the property described in subsections (a) through (g) of this section and any condemnation awards with respect thereto; and

- (i) the right, in the name and on behalf of Mortgagor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Mortgagee in the Property.

IV. SECURITY AGREEMENT; FIXTURE FILING

Mortgagor agrees that this Security Instrument shall constitute a security agreement and a financing statement within the meaning of the Uniform Commercial Code of the State of Illinois as the same may be amended from time to time (the "UCC") with respect to all Easements and Appurtenances, Fixtures, Equipment, Awards, Insurance Proceeds, Rents, Policies, proceeds, and other Property constituting property or rights subject to Article 9 of the UCC (collectively, the "Collateral"), Mortgagor hereby grants to Mortgagee a security interest in and to all of the Collateral for the purpose of securing the Debt and all other Secured Obligations that may become due hereunder. Mortgagee shall have all of the remedies of a secured party under the UCC and such further remedies as may from time to time hereafter be provided by applicable law for a secured party with respect to the Collateral given as further security for the Secured Obligations; provided, however, that nothing herein shall preclude Mortgagee from proceeding both as to personal property and real estate security in accordance with Mortgagee's rights and remedies in respect of the real estate security. Mortgagor hereby authorizes Mortgagee to file financing and continuation statements with respect to the Collateral without the signature of Mortgagor whenever lawful. The parties agree that in the event Mortgagee elects to proceed with respect to the Collateral separately from the Land, ten (10) days' notice of the sale of the Collateral shall be reasonable notice.

V. ASSIGNMENT OF LEASES AND RENTS

Mortgagor hereby absolutely and unconditionally assigns to Mortgagee all of Mortgagor's right, title and interest in and to all current and future Leases and Rents; it being intended by Mortgagor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of the other Loan Documents, Mortgagee grants to Mortgagor a revocable license to (and Mortgagor shall have the express right to) (a) collect, receive, use and enjoy the Rents and Mortgagor shall hold such Rents, or a portion thereof sufficient to discharge all current sums due on the Debt, in trust for the benefit of Lender for use in the payment of such sums in accordance with the terms of the other Loan Documents and (b) otherwise deal with and enjoy the rights of lessor under the Leases.

VI. MAINTENANCE OF PROPERTY

Mortgagor shall cause the Property to be maintained in a good and safe condition and repair. The Improvements and the Equipment shall not be removed, demolished or materially altered (except for normal replacement of the Equipment) without the consent of Mortgagee. Mortgagor shall promptly comply with all laws, orders and ordinances affecting the Property, or the use thereof. Mortgagor shall apply any proceeds of insurance not required by Mortgagee to be applied to the outstanding Debt, to the prompt repair, replacement or rebuilding any part of the

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Property which may be destroyed by any casualty, or become damaged, worn or dilapidated. Mortgagor 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 Property or any part thereof. If under applicable zoning provisions the use of all or any portion of the Property is or shall become a nonconforming use, Mortgagor will not cause or permit such nonconforming use to be discontinued or abandoned without the express written consent of Mortgagee.

VII. INSURANCE; USE OF INSURANCE AND CONDEMNATION PROCEEDS

Mortgagor will keep the Property insured against loss or damage by fire, flood and such other customary risks and matters, including without limitation, (i) "All Risk" fire covering the Property in an aggregate amount not less than 100% of the agreed upon full insurable replacement value of the Property, and, at the option of Mortgagee, naming Mortgagee, its successors and assigns as their interests may appear, as the first mortgagee under a standard mortgagee endorsement clause; (ii) comprehensive general public liability insurance covering injury and damage to persons and property with limits acceptable to Mortgagee and, at the option of Mortgagee, naming Mortgagee, its successors and assigns as their interests may appear, as an additional insured; (iii) if the Property is located within a "special flood hazard area" as identified by the Secretary of Housing and Urban Development under the National Flood Insurance Reform Act of 1994, flood insurance in the amount equal to the lesser of (A) the agreed upon full insurable replacement value of the Property (less any value attributable to the Property), or (B) the maximum available amount through the Federal Flood Insurance Program, and, at the option of Mortgagee, naming Mortgagee, its successors and assigns as their interests may appear, as the first mortgagee under a standard mortgagee endorsement clause; and (iv) such other insurance as Mortgagee may require from time to time in amounts and with carriers reasonably satisfactory to Mortgagee. All of the policies required hereunder (the "**Policies**") shall, at the request of Mortgagee, (i) be assigned and delivered to Mortgagee; (ii) include a provision that such Policy will not be cancelled, altered or in any way limited in coverage or reduced in amount unless Mortgagee is notified in writing at least thirty (30) days prior to such cancellation or change (and Mortgagor will deliver evidence satisfactory to Mortgagee of the renewal of each of the Policies not later than fifteen (15) days prior to the expiration date of same); and (iii) be written on such forms as are reasonably acceptable to Mortgagee by insurance companies authorized or licensed to do business in the state in which the Property is located having an Alfred M. Best Company, Inc. rating of "A-" or higher and a financial size category of not less than IX. Mortgagor shall pay the premiums for such insurance (the "**Insurance Premiums**") as the same become due and payable.

In the event of any casualty or condemnation affecting the Property, the amount paid by the insurance company or any governmental authority for the value of, loss or damage to the Property, including, without limitation, and any Awards, is called "**Insurance Proceeds**." Any Insurance Proceeds shall be paid to and received by Mortgagee to be applied to the repayment of the Secured Obligations or, upon request of Mortgagor, but at Mortgagee's option (in its sole discretion), used to repair or to restore the damaged Property.

VIII. TAXES

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Mortgagor shall pay all taxes, assessments, water rates and sewer rents, now or hereafter levied or assessed or imposed against the Property or any part thereof, or Mortgagee's interest therein (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 Property, now or hereafter levied or assessed or imposed against the Property or any part thereof (the "*Other Charges*") as same become due and payable. Mortgagor will deliver to Mortgagee, promptly upon Mortgagee's request, evidence satisfactory to Mortgagee that the Taxes and Other Charges have been so paid or are not then delinquent. Mortgagor 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 Property, and shall promptly pay for all utility services provided to the Property. Mortgagor shall furnish to Mortgagee receipts for the payment of the Taxes, Other Charges and said utility services prior to the date the same shall become delinquent.

IX. RIGHT TO ENTER PREMISES.

Mortgagee and any persons authorized by Mortgagee shall have the right to enter and inspect the Property at all reasonable times upon reasonable notice.

X. NOTICES REQUIRED UNDER THIS SECURITY INSTRUMENT

All notices and other communications provided for hereunder shall be in writing and shall be mailed (by certified mail, postage prepaid and return receipt requested), if to Mortgagee, to its address set forth in the preamble of this Security Instrument, or such other address as Mortgagee may provide by written notice to the other parties hereto from time to time, and if to the Mortgagor, to Mortgagor's address set forth in the preamble of this Security Instrument, or such other address as Mortgagor may provide by written notice to the other parties hereto from time to time. All such notices and other communications shall be effective (a) if mailed, when received or three days after deposited in the mail, whichever occurs first, or (b) if delivered, upon delivery.

XI. LAW THAT GOVERNS THIS SECURITY INSTRUMENT; WORD USAGE

This Security Instrument is governed by federal law and the law of the state of Illinois, without regard to conflict of laws provisions ("*Applicable Law*"). All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might allow the parties to agree by contract or it might be silent, but such silence does not mean that Mortgagee and Mortgagor cannot agree by contract. If any term of this Security Instrument, the Loan Agreement, the Guaranty or any other Loan Document conflicts with Applicable Law, the conflict will not affect other provisions of this Security Instrument, the Loan Agreement, the Guaranty or any other Loan Document which can operate, or be given effect, without the conflicting provision. This means that the Security Instrument, the Loan Agreement, the Guaranty or any other Loan Document will remain as if the conflicting provision did not exist.

Notwithstanding any of the foregoing provisions of this paragraph, Mortgagee shall have the right against Mortgagor in any other jurisdiction to (i) seek interim, interlocutory and/or

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provisional relief, (ii) take measures to secure and/or preserve assets, and/or (iii) seek enforcement of any judgment relating to this Security Instrument.

XII. AGREEMENTS ABOUT MORTGAGEE'S RIGHTS IF THE PROPERTY IS SOLD OR TRANSFERRED

All amounts due under the Loan Agreement including the amounts secured by this Security Instrument shall be payable upon the earlier of (x) the date that all or any part of the Property, or any right in the Property, is sold or transferred and (y) the Maturity Date. If Mortgagor fails to pay in full all sums due pursuant to the Loan Agreement, the Guaranty and the other Loan Documents within 3 days after the sale or other transfer of the Property or by the date stated above, Mortgagee may invoke any remedies permitted by this Security Instrument and Applicable Law without further notice or demand on Mortgagor or any other Person. Mortgagor shall give Mortgagee notice of any sale or refinancing of the Property. Mortgagor shall not transfer fee simple title to the Property or any portion whatsoever, including specifically but without limitation, by deed, mortgage, operation of law, option to purchase, bond for deed or purchase and sale contract coupled with the transfer of possession, unless (i) such notice is provided, in writing, at least thirty (30) days prior to the date of the transfer which notice shall include the time and location of the location and (ii) Mortgagee consents, in writing, to such transfer (such consent to be provided in Mortgagee's sole discretion). This covenant and condition shall continue until the commitments under the Loan Agreement are terminated, and all Secured Obligations indefeasibly paid in full and satisfied.

XIII. MORTGAGEE'S OBLIGATION TO DISCHARGE THIS SECURITY INSTRUMENT

When the Secured Obligations have been indefeasibly paid in full and satisfied, and all of the commitments under the Loan Agreement, terminated, Mortgagee will discharge this Security Instrument by delivering a certificate stating that this Security Instrument has been satisfied. Mortgagor will pay all costs of recording the discharge in the proper official records but no other fee will be payable to Mortgagee for such document.

XIV. WAIVERS.

Mortgagor waives all rights of homestead exemption in, and statutory redemption of, the Property and all right of appraisement of the Property and relinquishes all rights of curtesy and dower in the Property.

Mortgagor, on behalf of itself, its successors and assigns, to the extent permitted by law, hereby (i) waives any and all rights of appraisement, valuation, stay, extension and (to the extent permitted by law) redemption from sale under any order or decree of foreclosure of this Security Instrument or in connection with any Mortgagee's sale of the Property, (ii) waives any equitable, statutory or other right available to it, pertaining to marshaling of assets hereunder, so as to require the separate sales of interests in the Property before proceeding against any other interest in the Property, (iii) consents to and authorizes, at the option of Mortgagee, the sale, either separately or together, of any and all interests in the Property, (iv) agrees that in no event shall Mortgagee be required to allocate any proceeds received by Mortgagee from foreclosure sale or

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otherwise, to any particular interest in the Property, (v) agrees that when a sale is consummated under any decree of foreclosure of this Security Instrument or in connection with any Mortgagee's sale of the Property, upon confirmation of such sale, the master in chancery, the sheriff, Mortgagee or other Person making such sale, or his successor in office, shall be and is authorized immediately to execute and deliver to the purchaser at such sale a deed conveying the Property, showing the amount paid therefor, or if purchased by the Person in whose favor the order or decree is entered, the amount of his bid therefore, and (vi) waives trial by jury in any action brought with respect to this Security Instrument or the Loan Agreement (or related loan documents).

XV. RESERVED

XVI. MORTGAGOR'S RIGHT TO MORTGAGE THE PROPERTY AND MORTGAGOR'S OBLIGATION TO DEFEND OWNERSHIP OF THE PROPERTY; JOINT AND SEVERAL LIABILITY

Mortgagor represents and warrants, and promises that: (A) Mortgagor lawfully owns the Property; (B) Mortgagor has the right to mortgage, grant and convey the Property to Mortgagee; and (C) there are no outstanding claims or charges against the Property, except for those expressly disclosed in Preliminary Title Report or as otherwise permitted under this Section.

Mortgagor does, by these present bind ourselves, our successors and assigns forever to warrant and defend the above granted and bargained Property to Mortgagee, its successors and assigns against all claims and demands whatsoever, except as aforesaid. Mortgagor gives a general warranty of title to Mortgagee. This means that Mortgagor will be fully responsible for any losses which Mortgagee suffers because someone other than Mortgagor has some of the rights in the Property which Mortgagor represents that Mortgagor possesses. Mortgagor promises that Mortgagor will defend our ownership of the Property against any claims of such rights.

So long as this Security Instrument has not been fully satisfied, Mortgagor will not, without the written consent of the Mortgagee in each instance, further mortgage, grant, transfer, dispose of, sell, assign, or convey the Property, whether by operation of law or otherwise, whether directly or indirectly, whether voluntarily or involuntarily, except that in the case of any (i) tax lien, other than a lien for local real estate taxes and assessments not due and payable, or (ii) lis pendens, notice of pendency, mechanic's or materialman's lien, or the like, we will pay, satisfy, or otherwise discharge of record the same within a period of ninety (90) days after the same is filed or recorded, irrespective of whether the same is superior or subordinate in priority to the lien of this Security Instrument and irrespective of whether the same constitutes a perfected or inchoate lien on the Property, or is only a matter of record or notice, unless Mortgagor obtains the written consent of Mortgagee to undertake any other action. If Mortgagee determines that any part of the Property is subject to a superior lien, not expressly permitted hereunder, Mortgagee may give Mortgagor a notice identifying the lien and Mortgagor will promptly pay, satisfy, or otherwise discharge of record the superior lien, or, with the written consent of the Mortgagee in each instance, undertake any other action acceptable to Mortgagee, including reimbursing Mortgagee for any costs or expenses incurred by Mortgagee in paying, satisfying, or otherwise discharging of record the superior lien, in accordance with the terms of the Loan Agreement and this Security Instrument.

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If more than one Person signs this Security Instrument as Mortgagor, the Secured Obligations hereunder shall be joint and several, and each Mortgagor shall be fully obligated to keep all of Mortgagor's promises and obligations contained in this Security Instrument. Mortgagee may enforce Mortgagee's rights under this Security Instrument against each Mortgagor individually or against all of us together.

THE CONDITION OF THIS SECURITY INSTRUMENT IS SUCH THAT WHEREAS, the Mortgagor is indebted to Mortgagee in the amount of the Debt.

XVII. MORTGAGOR'S STATEMENT REGARDING THE PROPERTY [CHECK BOX AS APPLICABLE]

- This Security Instrument covers real property improved, or to be improved, by a one or two family dwelling only.
- This Security Instrument covers real property principally improved, or to be improved, by one or more structures containing, in the aggregate, not more than six residential dwelling units with each dwelling unit having its own separate cooking facilities.
- This Security Instrument does not cover real property improved as described above.

XVIII. DEFAULT

Mortgagor shall be in default under this Security Instrument and the whole of the principal sum due on under the Loan Agreement and the Guaranty shall become due at the option of Mortgagee (x) upon the occurrence of an Event of Default (y) Mortgagor breach of any covenant or condition in this Security Instrument (and the expiration of any grace or cure period applicable thereto), or (z) a default by Mortgagor under any indebtedness or other Secure Obligations secured by the Property whether superior or subordinate to this Security Instrument (each a "*Default*").

Upon the occurrence of any one or more Defaults, Mortgagee may, without notice, declare all sums secured hereby immediately due and payable by commencing an action to foreclose this Security Instrument as a Security Instrument, and may exercise any and all other remedies that Mortgagee may have hereunder or under the other Loan Documents, or at equity or at law, in respect of the Secured Obligations. Additionally, Mortgagee may proceed as to any personal property in accordance with Mortgagee's rights and remedies in respect to the Property or sell the personal property separately and without regard to the remainder of the Property in accordance with Mortgagee's rights and remedies provided by the UCC as well as other rights and remedies available at law or in equity.

Mortgagee may bid for and purchase the Property at any foreclosure and apply all or any part of the then unpaid Debt as a credit to the purchase price in lieu of paying cash therefor.

Mortgagee may effect a sale of the Property in whole or in part in lieu of judicial foreclosure to the extent and in any manner permitted by, and otherwise in accordance with, Applicable Law.

XIX. MISCELLANEOUS

Mortgagee shall not be compelled to release, or be prevented from foreclosing or enforcing this

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Security Instrument upon all or any part of the Property, unless the entire Secured Obligations shall be paid in full as aforesaid, and shall not be required to accept any part or parts of the Property, as distinguished from the whole thereof, as payment of or upon the Secured Obligations to the extent of the value of such part or parts, and shall not be compelled to accept or allow any apportionment of the Secured Obligations to or among any separate parts of the Property. In case of a foreclosure sale, the Property, at Mortgagee's election, may be sold in one parcel.

This Security Instrument may not be changed or terminated orally but only by an instrument in writing signed by the party against whom enforcement of any change, discharge, or termination is sought. The rights and covenants contained in this Security Instrument shall run with the land and bind Mortgagor and its successors and assigns and all subsequent owners, encumbrances, tenants and subtenants of the Property, and shall inure to the benefit of Mortgagee and its successors and assigns and all subsequent holders of this Security Instrument.

Any failure by Mortgagee to insist upon the strict performance by Mortgagor of any of the terms and provisions of this Security Instrument shall not be deemed to be a waiver of any of the terms and provisions hereof, and Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Mortgagor of any and all of the terms and provisions of this Security Instrument, the Guaranty or any other Loan Document to which it is a party. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien on the Property, Mortgagee may release the obligation of anyone at any time liable, for any of the Secured Obligations and may extend the time of payment or otherwise modify the terms of the Loan Agreement, the Guaranty, this Security Instrument or any other Loan Document, without, as to the security or the remainder thereof, in any way impairing or affecting the lien of this Security Instrument, or the priority of such lien, as security for the Secured Obligations or the payment of the Secured Obligations as it may be so extended or modified, over any subordinate lien and Mortgagee may resort for the payment of the Secured Obligations secured by this Security Instrument to any other security therefor, held by Mortgagee in such order and manner as Mortgagee may elect.

XX. COST AND EXPENSES; INDEMNIFICATION

Mortgagor shall pay or cause to be paid all costs and expenses, including, without limitation, reasonable fees and expenses of counsel for Mortgagee, accounting, due diligence, periodic field audits, physical counts, valuations, investigations, searches and filings, monitoring of assets, appraisals of Property, title searches and reviewing environmental assessments, miscellaneous disbursements, mortgage recording taxes, Taxes and Other Charges, insurance premiums, incurred by Mortgagee in connection with: (a) the monitoring, preservation and protection of the Property and Mortgagee's lien priority and rights under this Security Instrument, (b) the defense of any claim or action asserted or brought against Mortgagee by any Person that arises from or relates to this Security Instrument or such Mortgagee's claims against Mortgagor, (c) the commencement or defense of, or intervention in, any court proceeding arising from or related to this Security Instrument, (d) the protection, collection, lease, sale, taking possession of or liquidation of, any Property or other security in connection with this Security Instrument, (e) any attempt to enforce any Lien or security interest in any Property, (f) all liabilities and costs arising from or in connection with the past, present or future use of Mortgagor involving any damage to

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real or personal property or natural resources or harm or injury alleged to have resulted from any release of hazardous materials on, upon or into such property, and (g) any environmental liabilities and costs incurred in connection with the investigation, removal, cleanup and/or remediation of any hazardous materials present or arising out of the use of the Property; and such costs, expenses and attorneys' fees shall be additional amounts secured by this Security Instrument.

Mortgagor hereby covenants to pay any and all mortgage recording or other taxes or fees due in connection with this Security Instrument.

XXI. STATE SPECIFIC PROVISIONS. In the event of a conflict between the provisions of this Section XXI and any other provision of this Security Instrument, the provisions of this Section XXI shall govern:

(a) Pursuant to the requirements of the Illinois Collateral Protection Act, the Mortgagor is hereby notified as follows: Unless the Mortgagor provides the Mortgagee with evidence of the insurance coverage required by this Security Instrument or any of the other Loan Documents, Mortgagee may purchase insurance at the Mortgagor's expense to protect Mortgagee's interests in the Premises. This insurance may, but need not protect the Mortgagor's interests. The coverage the Mortgagee purchases may not pay any claim that the Mortgagor makes or any claim that is made against the Mortgagor in connection with the Premises. The Mortgagor may later cancel any insurance purchased by Mortgagee but only after providing Mortgagee with evidence that the Mortgagor has obtained insurance as required by this Security Instrument or any of the other Loan Documents. If Mortgagee purchases insurance for the Premises, the Mortgagor will be responsible for the costs of that insurance, including interest and any other charges that Mortgagor may lawfully 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 total outstanding Indebtedness. The costs of the insurance obtained by Mortgagee may be more than the cost of insurance that the Mortgagor may be able to obtain on its own.

(b) Mortgagor covenants that the proceeds of the loan evidenced by the Note and secured by this Security Instrument will be used for the purposes specified in Section 4(1)(c) of Paragraph 205 of Chapter 815 of the Illinois Revised Statutes, as amended, and that the principal obligation secured hereby constitutes a business loan which comes within the purview of such Section.

(c) Mortgagor hereby releases and waives any and all rights to retain possession of the Premises after the occurrence of an Event of Default and any and all rights of redemption from sale under any order or decree of foreclosure, pursuant to rights therein granted, on behalf of Mortgagor, all persons and entities interested in Mortgagor and each and every person (except judgment creditors of Mortgagor) acquiring any interest in, or title to, the Premises subsequent to the date of this Security Instrument, and on behalf of all other persons to the extent permitted by the provisions of Paragraph 15 1603 of Chapter 110 of the Illinois Revised Statutes, as amended.

(d) In the event that any provision in this Security Instrument shall be inconsistent with any provisions of the Illinois Mortgage Foreclosure Law, as amended (735 ILCS 5/15-1001

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et seq.) (the “*IMF Law*”), the provision of the IMF Law shall take precedence over the provisions of this Security Instrument, but shall not invalidate or render unenforceable any other provision of this Security Instrument that can be construed in a manner consistent with the IMF Law. Mortgagor and Mortgagee shall have the benefit of all of the provisions of the IMF Law, including all amendments thereto which may become effective from time to time after the date hereof. If any provision of this Security Instrument shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the IMF Law in the absence of said provision, Mortgagee shall be vested with the rights granted in the IMF Law to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under any provisions of the IMF Law, whether incurred before or after any decree or judgment of foreclosure shall be added to the indebtedness hereby secured or by the judgment of foreclosure.

(e) Commercial Property. Mortgagor represents and warrants that this Security Instrument does encumber commercial property and does not encumber real property improved, or to be improved, by a one or two family dwelling only.

[Remainder of page left intentionally blank]

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BY SIGNING BELOW, the undersigned Mortgagor accepts and agrees to the promises and agreements contained in this Security Instrument and in any Rider signed by such Person and recorded with it.

WITNESSES:

GRANTOR:

JOSEPH MOTORS AUTO SALES, INC.

[Signature]
Name:

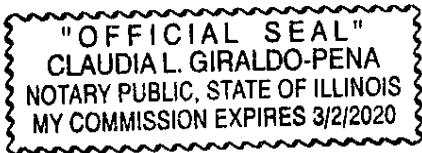
By: [Signature]
Name: Joseph Aponte
Title: President

Acknowledgments

STATE OF ILLINOIS)

COUNTY OF Cook)

On the 22nd day of December in the year 2016, before me, the undersigned, personally appeared JOSEPH APONTE, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual executed the instrument.



[Signature]
Notary Public

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EXHIBIT A

LEGAL DESCRIPTION

Lots 8 and 9 in Turk's Subdivision of that part of Block 40 lying East of the Chicago, Milwaukee and St. Paul Railroad in pennock Subdivision in the North 1/2 of the Northeast 1/4 of Section 34, Township 40 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

Property of Cook County Clerk's Office