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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption

Doc#: 1706715050 Fee: \$96.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 03/08/2017 10:16 AM Pg: 1 of 25

Report Mortgage Fraud
800-532-8785

The property identified as: **PIN:** 25-33-108-049-0000

Address:

Street: 464 W 128th Place

Street line 2:

City: Chicago

State: IL

ZIP Code: 60628

Lender: RCN Capital Funding, LLC

Borrower: Franklin Associates, LLC

Loan / Mortgage Amount: \$50,000.00

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

Certificate number: 86B7A410-452F-4393-9C76-943D0C2EDF1D

Execution date: 1/25/2017

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..... Space Above Line for Recorder's Use.....

MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

<u>Prepared by:</u>	<u>After Recording Return to:</u>
Jeffrey Tesch RCN Capital Funding, LLC 75 Gerber Road East South Windsor, CT 06074 Loan Number: BLN-5417	RCN Capital Funding, LLC 75 Gerber Road East, Ste. 102 South Windsor, CT 06074

Premises:

464 W 128th Place, Chicago, IL 60628 (Parcel: 25-33-108-049-0000)

BLN-5417.MTG.464 W 128th Place, Chicago, IL 60628

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MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (the "**Instrument**") is made as of January 25, 2017, between **Franklin Associates, LLC**, a limited liability company organized and existing under the laws of the state of Illinois, whose address is 21200 S Lagrange, Ste 219, Frankfort, IL 60423, as mortgagor (hereinafter, the "**Borrower**"); and **RCN Capital Funding, LLC**, a limited liability company organized and existing under the laws of the state of Connecticut, whose address is 75 Gerber Road East, Ste. 102, South Windsor, CT 06074, as mortgagee (the "**Lender**").

RECITAL

The **Borrower** is indebted to the **Lender** in the principal amount of **Fifty Thousand Dollars and No Cents (\$50,000.00)**, as evidenced by the **Borrower's Commercial Promissory Note** (as the same may be amended, restated, or modified from time to time, the "**Note**"), payable to the **Lender**, dated as of the date of this **Instrument**, and maturing on **Thursday, February 1, 2018** (the "**Maturity Date**"), subject to the terms and conditions of that certain **Commercial Loan and Security Agreement** between the **Borrower** and the **Lender** of even date herewith (as such agreement may be amended from time to time, the "**Loan Agreement**").

AGREEMENT

TO SECURE TO THE LENDER, the full and prompt payment and performance of each and all of the **Borrower's** obligations under the **Note**, the performance of the covenants and agreements of the **Borrower** contained in this **Instrument** and contained in any other documents evidencing, securing, or now or hereafter executed in connection with the **Note** (each a "**Loan Document**"; collectively, the "**Loan Documents**") (all of the indebtedness, obligations, and liabilities of the **Borrower** arising under the **Note**, the **Loan Documents**, and any and all renewals, modifications, rearrangements, amendments, or extensions thereof, are sometimes referred to herein as the "**Indebtedness**"), the **Borrower** mortgages, warrants, grants, conveys and assigns to the **Lender**, the following described property (collectively, the "**Mortgaged Property**"):

- A. The real property located in Cook County, the state of Illinois commonly known as **464 W 128th Place, Chicago, IL 60628**, as such real property is more particularly described in **SCHEDULE A**, attached hereto and made a part hereof for all purposes the same as if set forth herein verbatim; together with all right, title, and interest of the **Borrower** in and to (i) all streets, roads, alleys, easements, rights-of-way, licenses, rights of ingress and egress, vehicle parking rights and public places, existing or proposed, abutting, adjacent, used in connection with or pertaining to the real property or the **Improvements** (as hereinafter defined), (ii) any strips or gores between the real property and abutting or adjacent properties, and (iii) all water and water rights, timber, crops and mineral interests pertaining to the real property (such real property and other rights, titles, and interests being hereinafter sometimes called the "**Land**");
- B. All buildings, structures, improvements now constructed or at any time in the future constructed or placed upon the **Land**, including any future alterations, replacements and additions (the "**Improvements**");

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- C. All fixtures and systems and articles of personal property, of every kind and character, now owned or hereafter acquired by the **Borrower** which are now or hereafter is attached to the **Land** or the **Improvements** so as to constitute a fixture under Illinois law, and used in or necessary to complete the proper planning, development, use, occupancy or operation thereof, or acquired (whether delivered to the **Land** or stored elsewhere) for use or installation in or on the **Land** or the **Improvements**, and all renewals and replacements of, substitutions for and additions to the foregoing (all of which are herein sometimes referred to together as "**Accessories**");
- D. All (i) plans and specifications for the **Improvements**; (ii) approvals, entitlements and contracts relating to the **Land** or the **Improvements** or the **Accessories** or any part thereof; (iii) deposits including, but not limited to, the **Borrower's** rights in tenants' security deposits (if any), deposits with respect to utility services to the **Land** or the **Improvements** or the **Accessories** or any part thereof, and any deposits or reserves hereunder or under any other **Loan Document** (as hereinafter defined) for taxes, insurance or otherwise, funds, accounts, contract rights, instruments, documents, commitments, general intangibles, notes and chattel paper used in connection with or arising from or by virtue of any transactions related to the **Land** or the **Improvements** or the **Accessories** or any part thereof; (iv) permits, licenses, franchises, bonds, certificates and other rights and privileges obtained in connection with the **Land** or the **Improvements** or the **Accessories** or any part thereof; (v) leases, rents, royalties, bonuses, issues, profits, revenues and other benefits of the **Land**, the **Improvements** and the **Accessories**; and (vi) other properties, rights, titles and interests, if any, specified in any **Section** of this **Instrument** as being part of the **Mortgaged Property**;
- E. All rents (whether from residential or non-residential space), revenues, and other income of the **Land** or the **Improvements**, parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the **Mortgaged Property**, whether now due, past due or to become due and deposits forfeited by tenants, and, if the **Borrower** is a cooperative housing corporation or association, maintenance fees, charges or assessments payable by shareholders or residents under proprietary leases or occupancy agreements, whether now due, past due, or to become due (all of which are herein sometimes referred to together as the "**Rents**");
- F. All present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the **Mortgaged Property**, or any portion of the **Mortgaged Property** (including proprietary leases or occupancy agreements if the **Borrower** is a cooperative housing corporation), and all modifications, extensions or renewals (all of which are herein sometimes referred to together as the "**Leases**");
- G. All proceeds, products, consideration, compensation and recoveries, direct or consequential, cash and noncash, of or arising from, as the case may be, (i) the properties, rights, titles and interests referred to above in paragraphs (A), (B), (C), (D), (E), and (F); (ii) any sale, lease or other disposition thereof; (iii) each policy of insurance relating thereto (including premium refunds); (iv) the taking thereof or of any rights appurtenant thereto by eminent domain or sale in lieu thereof for public or quasi-public use under any law; and (v) any damage thereto whether caused by such a taking (including change of grade of streets, curb cuts or other rights of access) or otherwise caused; and

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- H.** All other interests of every kind and character, and proceeds thereof, which the **Borrower** now has or hereafter acquires in, to or for the benefit of the properties, rights, titles and interests referred to above in paragraphs (A), (B), (C), (D), (E), (F), (G), and all property used or useful in connection therewith, including, but not limited to, remainders, reversions and reversionary rights or interests.

The **Borrower** represents and warrants that the **Borrower** is lawfully seized of the **Mortgaged Property** and has the right, power and authority to mortgage, pledge, hypothecate, grant, warrant, convey and assign the **Mortgaged Property**, and that the **Mortgaged Property** is unencumbered except for those encumbrances (the "**Permitted Encumbrances**") shown on the schedule of exceptions to coverage in the **Title Policy** (as defined in the **Loan Agreement**), issued to and accepted by the **Lender** contemporaneously with the execution and recordation of this **Instrument** and insuring the **Lender's** interest in the **Mortgaged Property**. The **Borrower** covenants that the **Borrower** will warrant and defend generally the title to the **Mortgaged Property** against all claims and demands, subject to the **Permitted Encumbrances**. **Provided no Event of Default (as defined in the Note) occurs, the sums due and payable under the terms of the Note bear interest at the rate of 12.00%.**

In consideration of the aforesaid, and in order to more fully protect the security of this **Instrument**, the **Borrower** represents, warrants, covenants, and agrees as follows:

1. **Inspection.** The **Lender** and any other **Person** authorized by the **Lender** shall have the right to enter and inspect the **Mortgaged Property** at all reasonable times.
2. **Security Agreement.** This **Instrument** is also a security agreement between the **Borrower**, as debtor, and the **Lender**, as secured party, for any of the **Mortgaged Property** which, under applicable law, may be subjected to a security interest under the **Uniform Commercial Code** in the state of Illinois (the "**UCC**"), for the purpose of securing the **Borrower's** obligations under this **Instrument** and to further secure the **Borrower's** obligations under the **Note**, this **Instrument**, and other **Loan Documents**, whether such **Mortgaged Property** is owned now or acquired in the future, and all products and cash and non-cash proceeds thereof (collectively, the "**Collateral**"), and by this **Instrument**, the **Borrower** grants to the **Lender** a security interest in the **Collateral**. To the extent necessary under applicable law, the **Borrower** hereby authorizes the **Lender** to prepare and file financing statements, continuation statements and financing statement amendments in such form as the **Lender** may require to perfect or continue the perfection of this security interest. If an **Event of Default** (as hereinafter defined) has occurred and is continuing, the **Lender** will have the remedies of a secured party under the **UCC**, in addition to all remedies provided by this **Instrument** or existing under applicable law. In exercising any remedies, the **Lender** may exercise its remedies against the **Collateral** separately or together, and in any order, without in any way affecting the availability of the **Lender's** other remedies. This **Instrument** also constitutes a financing statement with respect to any part of the **Mortgaged Property** that is or may become a fixture, if permitted by applicable law.
3. **Taxes and Other Charges.** The **Borrower** shall pay all taxes, assessments for local improvements ("**Assessment**"), rates and charges, license fees, all charges which may be imposed for the use of vaults, chutes, areas and other space beyond the lot line and

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abutting the public sidewalks in front of or adjoining the **Mortgaged Property**, and all other governmental levies and charges (collectively, the "**Impositions**"), of every kind and nature whatsoever. Upon the **Lender's** request, the **Borrower** shall deliver to the **Lender**, within **five (5) days** of any such request, proof of payment of any and all **Impositions**, in form satisfactory to the **Lender**.

4. Insurance.

- A.** The **Borrower** shall provide, at its sole cost and expense, and keep in force for the benefit of itself and the **Lender**, with respect to the **Land, Improvements, and Accessories**: (i) insurance against loss or damage by fire, other hazards by so-called "**all risk**" and "**extended coverage**," and such other casualties and hazards as the **Lender** shall reasonably require from time to time; (ii) flood insurance if the **Mortgaged Property** is located in a flood hazard area and earthquake and/or hurricane insurance to the extent that owners of similar buildings in the same county as the **Mortgaged Property** maintain such insurance; (iii) war risk insurance, when obtainable from the United States government or any agency thereof; (iv) rent insurance; (v) comprehensive general liability insurance against claims for bodily injury, death or property damage in an amount not less than **\$1,000,000.00 per occurrence** and **\$2,000,000.00 in the aggregate**; (vi) water damage legal liability insurance; (vii) workers' compensation insurance as required by law, if and when applicable; (viii) business interruption insurance; (ix) prior to any construction on the **Mortgaged Property**, builder's risk insurance in an amount not less than the replacement value of the **Mortgaged Property**; and (x) such other insurance on the **Mortgaged Property** or any part thereof or any replacements or substitutions therefor, as the **Lender** may reasonably require.
- B.** The policies of insurance required by **Subsection 4(A)** of this **Instrument** shall be with companies, in forms and amounts, and for such reasonable periods as the **Lender** shall require from time to time, and shall insure the respective interests of the **Borrower** and the **Lender**. The full amount of the proceeds of any insurance covering real property or tangible personal property subject to a lien or security interest in favor of the **Lender** granted pursuant to any of the **Loan Documents** in the case of each separate loss in excess of **Ten Thousand and 00/100 Dollars (\$10,000.00)** (a "**Major Loss**"), other than the proceeds from the insurance required under clauses (vi), and (vii) of **Subsection 4(A)** of this **Instrument** shall be payable to the **Lender** pursuant to a non-contributing loss payee endorsement satisfactory to the **Lender**. **Certificates of Insurance** and true photocopies of the original policies and renewals thereof covering the risks required to be insured against in accordance with this **Instrument**, bearing satisfactory evidence of payment of all premiums thereon for the succeeding one year period, shall be delivered to and held by the **Lender**, and within **five (5) days** of demand by the **Lender**, the **Borrower** shall deliver to the **Lender** the original policies and renewals, replacements or endorsements thereof and shall assign to the **Lender** said policies of insurance as additional security for the indebtedness and other obligations secured hereby. At least **twenty (20) days** prior to the expiration of each policy required to be provided by the **Borrower**, the **Borrower** shall deliver **Certificates of Insurance** evidencing renewal or replacement thereof along with

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true photocopies of any endorsements or any renewal or replacement policies to the **Lender** with satisfactory evidence of payment of all premiums thereon. All insurance policies required hereunder shall be issued by companies of good standing in the State and rated by **A.M. Best's Insurance Reports** (or any successor publication of comparable standing) as A VIII or better (or the equivalent rating in the case of a successor publication).

- C. All insurance policies required in accordance with this **Instrument** shall: (i) include effective waivers by the insurer of all rights of subrogation against the **Borrower**, the **Lender**, any lessee or other occupant of all or any part of the **Mortgaged Property**, or any other **Person** which controls, is controlled by or is under common control with any of the foregoing; (ii) provide that the full amount of the proceeds of such insurance (other than the proceeds from the insurance required under clauses (vi) and (vii) of **Subsection 4(A)** of this **Instrument**) shall, in the case of each separate **Major Loss**, be payable notwithstanding: (A) any act, failure to act or negligence of or violation of warranties, declarations or conditions contained in such policy by any named insured; (B) the occupation or use of the **Improvements** or the **Land** for purposes more hazardous than permitted by the terms thereof; (C) any foreclosure or other action or proceeding taken by the **Lender** pursuant to any provision of this **Instrument**; or (D) any change in title to or ownership of the **Mortgaged Property**; (iii) provide that no cancellation, reduction in amount or material change in coverage thereof shall be effective until at least **thirty (30) days** after receipt by the **Lender** of written notice thereof; (iv) include "**replacement cost endorsements**" if available; and (v) be reasonably satisfactory to the **Lender** in all other respects. The **Borrower** shall not permit any condition to exist with respect to the **Mortgaged Property** which would wholly or partially invalidate any of the insurance thereon.
- D. The **Lender** shall have the right but not the obligation, on behalf of the **Borrower**, to adjust and compromise any claims under such insurance in the case of a **Major Loss**, collect and receive the proceeds thereof and execute and deliver all proofs of loss, receipts, vouchers, checks, drafts, releases, and other documents in connection with such claims. The **Lender** is hereby irrevocably appointed attorney-in-fact for the **Borrower** (which appointment is coupled with an interest) for such purposes, and the **Borrower** shall, upon request of the **Lender**, promptly execute any proofs of loss, receipts, vouchers, checks, drafts, releases, and other documents in connection with such claims.
- E. The **Lender** may deduct from the proceeds of the insurance required to be obtained by the **Borrower** pursuant to **Subsection 4(A)** of this **Instrument**, other than the insurance required under clauses (vi) and (vii) thereof, any expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by it in connection with obtaining such proceeds, and the **Lender** may, at its option, release the balance of such proceeds to the **Borrower** for the restoration of the **Mortgaged Property** (the "**Restoration**") or apply the balance of such proceeds in reduction or satisfaction of all or part of the **Indebtedness**, whether or not then due and payable (in such order of priority as the **Lender** shall elect). Upon the occurrence of any **Event of Default** all of the **Borrower's** right, title and interest in and to all such policies, including unearned

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premiums thereon, shall be deemed assigned to the **Lender**. The application of such insurance proceeds toward the payment or performance of the **Indebtedness** shall not be deemed a waiver by the **Lender** of its right to receive payment or performance of the remainder of the **Indebtedness** and the interest thereon in accordance with the provisions of the **Loan Documents**.

- F.** In the event of a sale, transfer or other disposition by the **Lender** of any of the property of the **Borrower**, the purchaser, assignee or transferee of such property shall succeed to all of the rights of the **Lender**, including any right to unearned premiums, in and to all policies of insurance which the **Borrower** is required to maintain under this **Section 4** and to all proceeds of such insurance.
- G.** The **Borrower's** policies of insurance may be maintained under "blanket policies" insuring the **Mortgaged Property** and other property owned by the **Borrower**, provided that such blanket policies shall: (i) separately set forth the amount of the insurance applicable to the **Mortgaged Property** (except as to the insurance required under clauses (iv), (v) and (vi) of **Subsection 4(A)** of this **Instrument**); (ii) provide a separate aggregate for each location insured under such policy in an amount not less than \$2,000,000.00; (iii) otherwise comply with the provisions of this **Section 4**; and (iv) afford the same protection to the **Lender** as, in the **Lender's** judgment, would be provided by policies individually applicable to the **Mortgaged Property**.
- H.** The **Borrower** shall not obtain or permit to be obtained separate insurance concurrent in form or contributing in the event of loss with the insurance the **Borrower** is required to maintain under the provisions of this **Section 4**.
- 5. Liens.** The **Borrower** shall not, directly or indirectly, create or suffer or permit to be created, or to stand, against the **Mortgaged Property** or any portion thereof, or against the rents, issues and profits therefrom, any lien, charge, mortgage, deed of trust, adverse claim or other encumbrance, whether senior or junior to the lien of this **Instrument**, other than the lien of this **Instrument** and the **Permitted Encumbrances**.
- 6. Due on Sale or Encumbrance.** Should the title to the **Mortgaged Property**, or any part thereof or any interest therein, be transferred to any **Person**, firm or entity other than the **Borrower**, or should the ownership of the **Mortgaged Property**, or any part thereof, become vested in any owner other than the **Borrower**, or should any lien, mortgage or any other encumbrance, voluntary or involuntary, be placed against the **Mortgaged Property**, or in any of the foregoing events, the entire principal balance due under the **Note**, together with all accrued interest thereunder, shall at the election of the **Lender**, be and become immediately due and payable in full, subject to applicable law, and the **Lender** shall be entitled to pursue all remedies provided for in this **Instrument** or at law, including without limitation, foreclosure of the lien of this **Instrument**.

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7. Assignment of Rents; Appointment of Receiver; Lender in Possession.

- A. As part of the consideration for the **Indebtedness**, the **Borrower** absolutely and unconditionally assigns and transfers to the **Lender** all **Rents**. It is the intention of the **Borrower** to establish a present, absolute and irrevocable transfer and assignment to the **Lender** of all **Rents** and to authorize and empower the **Lender** to collect and receive all **Rents** without the necessity of further action on the part of the **Borrower**. Promptly upon request by the **Lender**, the **Borrower** agrees to execute and deliver such further assignments as the **Lender** may from time to time require. The **Borrower** and the **Lender** intend this assignment of **Rents** to be immediately effective and to constitute an absolute, present, and unconditional assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of **Rents**, and for no other purpose, the **Rents** will not be deemed to be a part of the **Mortgaged Property**. However, if this present, absolute, and unconditional assignment of the **Rents** is not enforceable by its terms under the laws of the state of Illinois, then the **Rents** will be included as a part of the **Mortgaged Property** and it is the intention of the **Borrower** that in this circumstance this **Instrument** create and perfect a lien on the **Rents** in favor of the **Lender**, which lien will be effective as of the date of this **Instrument**.
- B. Until the occurrence of an **Event of Default**, the **Lender** hereby grants to the **Borrower** a revocable license to collect and receive all the **Rents**, to hold all the **Rents** in trust for the benefit of the **Lender** and to apply all the **Rents** to pay the installments of interest and principal then due and payable under the **Note** and the other amounts then due and payable under the other **Loan Documents**, including the **Impositions, Assessments, Insurance**, and to pay the current costs and expenses of managing, operating and maintaining the **Mortgaged Property**, tenant improvements and other capital expenditures. So long as no **Event of Default** has occurred and is continuing, the **Rents** remaining after application pursuant to the preceding sentence may be retained by the **Borrower** free and clear of, and released from, the **Lender's** rights with respect to the **Rents** under this **Instrument**. After the occurrence of an **Event of Default** and during the continuance of such **Event of Default**, the **Borrower** authorizes the **Lender** to collect, sue for, and compromise the **Rents** and directs each tenant of the **Mortgaged Property** to pay all the **Rents** to, or as directed by, the **Lender**. From and after the occurrence of an **Event of Default**, and during the continuance of such **Event of Default**, and without the necessity of the **Lender** entering upon and taking and maintaining control of the **Mortgaged Property** directly, or by a receiver, the **Borrower's** license to collect the **Rents** will automatically terminate and the **Lender** will, without notice, be entitled to all the **Rents** as they become due and payable, including the **Rents** then due and unpaid. The **Borrower** will pay to the **Lender** upon demand all the **Rents** to which the **Lender** is entitled. At any time on or after the date of the **Lender's** demand for the **Rents**, the **Lender** may give, and the **Borrower** hereby irrevocably authorizes the **Lender** to give, notice to all tenants of the **Mortgaged Property** instructing them to pay all **Rents** to the **Lender**. *No tenant will be obligated to inquire further as to the occurrence or continuance of an Event of Default. No tenant will be obligated to pay to the Borrower any amounts which are actually paid to the Lender in*

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response to such a notice. Any such notice by the **Lender** will be delivered to each tenant personally, by mail or by delivering such demand to each rental unit. The **Borrower** will not interfere with and will cooperate with the **Lender's** collection of such Rents.

- C. If an **Event of Default** has occurred and is continuing, then the **Lender** will have each of the following rights and may take any of the following actions:
- (i) The **Lender** may, regardless of the adequacy of the **Lender's** security or the solvency of the **Borrower** and even in the absence of waste, enter upon and take and maintain full control of the **Mortgaged Property** in order to perform all acts that the **Lender** in its discretion determines to be necessary or desirable for the operation and maintenance of the **Mortgaged Property**, including the execution, cancellation, or modification of the Leases, the collection of all the **Rents**, the making of repairs to the **Mortgaged Property** and the execution or termination of contracts providing for the management, operation or maintenance of the **Mortgaged Property**, for the purposes of enforcing the assignment of the **Rents** pursuant to **Section 7(A)** of this **Instrument**, protecting the **Mortgaged Property** or the security of this **Instrument**, or for such other purposes as the **Lender**, in its discretion, may deem necessary or desirable.
 - (ii) Alternatively, if an **Event of Default** has occurred and is continuing, regardless of the adequacy of the **Lender's** security, without regard to the **Borrower's** solvency and without the necessity of giving prior notice (oral or written) to the **Borrower**, the **Lender** may apply to any court having jurisdiction for the appointment of a receiver for the **Mortgaged Property** to take any or all of the actions set forth in the preceding sentence. If the **Lender** elects to seek the appointment of a receiver for the **Mortgaged Property** at any time after an **Event of Default** has occurred and is continuing, the **Borrower**, by its execution of this **Instrument**, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte* if permitted by applicable law.
 - (iii) If the **Borrower** is a housing cooperative corporation or association, the **Borrower** hereby agrees that if a receiver is appointed, the order appointing the receiver may contain a provision requiring the receiver to pay the installments of interest and principal then due and payable under the **Note** and the other amounts then due and payable under the other **Loan Documents**, including the **Impositions, Assessments, or Insurance**, it being acknowledged and agreed that the **Indebtedness** is an obligation of the **Borrower** and must be paid out of maintenance charges payable by the **Borrower's** tenant shareholders under their proprietary leases or occupancy agreements.
 - (iv) The **Lender** or the receiver, as the case may be, will be entitled to receive a reasonable fee for managing the **Mortgaged Property**.

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- (v) Immediately upon appointment of a receiver or immediately upon the **Lender's** entering upon and taking possession and control of the **Mortgaged Property**, the **Borrower** will surrender possession of the **Mortgaged Property** to the **Lender** or the receiver, as the case may be, and will deliver to the **Lender** or the receiver, as the case may be, all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the **Mortgaged Property** and all security deposits and prepaid **Rents**.
- (vi) If the **Lender** takes possession and control of the **Mortgaged Property**, then the **Lender** may exclude the **Borrower** and its representatives from the **Mortgaged Property**.

The **Borrower** acknowledges and agrees that the exercise by the **Lender** of any of the rights conferred under this **Section 7** will not be construed to make the **Lender** a mortgagee-in-possession of the **Mortgaged Property** so long as the **Lender** has not itself entered into actual possession of the **Land** and **Improvements**.

- D. If the **Lender** enters the **Mortgaged Property**, the **Lender** will be liable to account only to the **Borrower** and only for those **Rents** actually received. Except to the extent of the **Lender's** gross negligence or willful misconduct, the **Lender** will not be liable to the **Borrower**, anyone claiming under or through the **Borrower** or anyone having an interest in the **Mortgaged Property**, by reason of any act or omission of the **Lender** under **Subsection 7(C)** of this **Instrument**, and the **Borrower** hereby releases and discharges the **Lender** from any such liability to the fullest extent permitted by law.
- E. If the **Rents** are not sufficient to meet the costs of taking control of and managing the **Mortgaged Property** and collecting the **Rents**, any funds expended by the **Lender** for such purposes will become an additional part of the **Indebtedness** as provided in **Section 10** of this **Instrument**.
- F. Any entering upon and taking of control of the **Mortgaged Property** by the **Lender** or the receiver, as the case may be, and any application of **Rents** as provided in this **Instrument** will not cure or waive any **Event of Default** or invalidate any other right or remedy of the **Lender** under applicable law or provided for in this **Instrument**.

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8. Assignment of Leases; Leases Affecting the Mortgaged Property.

- A.** As part of the consideration for the **Indebtedness**, the **Borrower** absolutely and unconditionally assigns and transfers to the **Lender** all of the **Borrower's** right, title and interest in, to and under the **Leases**, including the **Borrower's** right, power and authority to modify the terms of any such **Lease**, or extend or terminate any such **Lease**. It is the intention of the **Borrower** to establish a present, absolute and irrevocable transfer and assignment to the **Lender** of all of **Borrower's** right, title and interest in, to, and under the **Leases**. The **Borrower** and the **Lender** intend this assignment of the **Leases** to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of the **Leases**, and for no other purpose, the **Leases** will not be deemed to be a part of the **Mortgaged Property**. However, if this present, absolute and unconditional assignment of the **Leases** is not enforceable by its terms under the laws of the state of Illinois, then the **Leases** will be included as a part of the **Mortgaged Property** and it is the intention of the **Borrower** that in this circumstance this **Instrument** create and perfect a lien on the **Leases** in favor of the **Lender**, which lien will be effective as of the date of this **Instrument**.
- B.** Until the **Lender** gives **Notice** to the **Borrower** of the **Lender's** exercise of its rights under this **Section 8**, the **Borrower** will have all rights, power and authority granted to the **Borrower** under any **Lease** (except as otherwise limited by this **Section 8** or any other provision of this **Instrument**), including the right, power and authority to modify the terms of any **Lease** or extend or terminate any **Lease**. Upon the occurrence of an **Event of Default**, and during the continuance of such **Event of Default**, the permission given to the **Borrower** pursuant to the preceding sentence to exercise all rights, power and authority under **Leases** will automatically terminate. The **Borrower** will comply with and observe the **Borrower's** obligations under all **Leases**, including the **Borrower's** obligations pertaining to the maintenance and disposition of tenant security deposits.
- C.** The **Borrower** acknowledges and agrees that the exercise by the **Lender**, either directly or by a receiver, of any of the rights conferred under this **Section 8** will not be construed to make the **Lender** a mortgagee-in-possession of the **Mortgaged Property** so long as the **Lender** has not itself entered into actual possession of the **Land** and the **Improvements**. The acceptance by the **Lender** of the assignment of the **Leases** pursuant to **Subsection 8(A)** of this **Instrument** will not at any time or in any event obligate the **Lender** to take any action under this **Instrument** or to expend any money or to incur any expenses. Except to the extent of the **Lender's** gross negligence or willful misconduct, the **Lender** will not be liable in any way for any injury or damage to the **Person** or property sustained by any **Person** or **Persons** in or about the **Mortgaged Property**. Prior to the **Lender's** actual entry into and taking possession of the **Mortgaged Property**, the **Lender** will not be obligated for any of the following: (i) performing any of the terms, covenants and conditions contained in any **Lease**, or any obligation with respect to any **Lease**; (ii) appearing in or defending any action or proceeding relating to the **Lease** or the **Mortgaged Property**; (iii) the operation, control, care, management or repair of the **Mortgaged Property** or any

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portion of the **Mortgaged Property**. The execution of this **Instrument** by the **Borrower** will constitute conclusive evidence that all responsibility for the operation, control, care, management, and repair of the **Mortgaged Property** is and will be that of **Borrower**, prior to such actual entry and taking of possession.

- D.** Upon delivery of **Notice** by the **Lender** to the **Borrower** of the **Lender's** exercise of the **Lender's** rights under this **Section 8** at any time after the occurrence of an **Event of Default**, and during the continuance of such **Event of Default**, and without the necessity of the **Lender** entering upon and taking and maintaining control of the **Mortgaged Property** directly, by a receiver, or by any other manner or proceeding permitted by the laws of the state of Illinois, the **Lender** immediately will have all rights, powers and authority granted to the **Borrower** under any **Lease**, including the right, power and authority to modify the terms of any such **Lease**, or extend or terminate any such **Lease**.
- E.** The **Borrower** will, promptly upon the **Lender's** request, deliver to the **Lender** an executed copy of each **Lease** then in effect.
- F.** If the **Borrower** is a cooperative housing corporation or association, notwithstanding anything to the contrary contained in this **Instrument**, so long as the **Borrower** remains a cooperative housing corporation or association and is not in breach of any covenant of this **Instrument**, the **Lender** consents to the following:
- (i) The **Borrower** may execute leases of apartments for a term in excess of **two (2) years** to a tenant shareholder of the **Borrower**, so long as such leases, including proprietary leases, are and will remain subordinate to the lien of this **Instrument**.
 - (ii) The **Borrower** may surrender or terminate such leases of apartments where the surrendered or terminated lease is immediately replaced or where the **Borrower** makes its best efforts to secure such immediate replacement by a newly-executed lease of the same apartment to a tenant shareholder of the **Borrower**. However, no consent is given by the **Lender** to any execution, surrender, termination or assignment of a lease under terms that would waive or reduce the obligation of the resulting tenant shareholder under such lease to pay cooperative assessments in full when due or the obligation of the former tenant shareholder to pay any unpaid portion of such assessments.
- 9. Application of Payments.** If at any time the **Lender** receives, from the **Borrower** or otherwise, any amount applicable to the **Indebtedness** which is less than all amounts due and payable at such time, then the **Lender** may apply that payment to amounts then due and payable in any manner and in any order determined by the **Lender**, in the **Lender's** discretion. Neither the **Lender's** acceptance of an amount that is less than all amounts then due and payable nor the **Lender's** application of such payment in the manner authorized will constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such

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amount to the **Indebtedness**, the **Borrower's** obligations under this **Instrument**, the **Note** and all other **Loan Documents** will remain unchanged.

10. **Protection of the Lender's Security; Instrument Secures Future Advances.** If the **Borrower** fails to perform any of its obligations under this **Instrument** or any other **Loan Document**, or if any action or proceeding is commenced which purports to affect the **Mortgaged Property**, the **Lender's** security, or the **Lender's** rights under this **Instrument**, including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of **Hazardous Materials Laws** (as defined in **Subsection 10(A)** of this **Instrument**), fraudulent conveyance or reorganizations or proceedings involving a bankrupt or decedent, then the **Lender** at the **Lender's** option may make such appearances, file such documents, disburse such sums and take such actions as the **Lender** reasonably deems necessary to perform such obligations of the **Borrower** and to protect the **Lender's** interest, including all of the following: (i) payment of attorney's fees and costs; (ii) enter upon the **Mortgaged Property** to make repairs or secure the **Mortgaged Property**; procure insurance as required by the **Loan Agreement**; (iii) pay any amounts which the **Borrower** has failed to pay under this **Instrument**, the **Loan Agreement**, or any of the **Loan Documents**; (iv) perform any of the **Borrower's** obligations under the **Loan Agreement**; (v) make advances to pay, satisfy or discharge any obligation of the **Borrower** for the payment of money that is secured by a lien on the **Mortgaged Property**. Any amounts disbursed by the **Lender** under this **Section 10** or under any other provision of this **Instrument** that treats such disbursement as being made under this **Section 10**, will be secured by this **Instrument**, will be added to, and become part of, the principal component of the **Indebtedness**, will be immediately due and payable and will bear interest from the date of disbursement until paid at the **Default Rate** (as defined in the **Note**). Nothing in this **Section 10** will require the **Lender** to incur any expense or take any action. The provisions of this **Section 10**, including the obligation to indemnify the **Lender**, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this **Instrument** and shall not be affected by the **Lender's** acquisition of any interest in the **Mortgaged Property**, whether by foreclosure or otherwise.
- A. As used herein, the term "**Hazardous Materials Law**" and "**Hazardous Materials Laws**" means any and all federal, state and local laws, ordinances, regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future, including all amendments, that relate to **Hazardous Materials** (as defined in **Subsection 10(B)** of this **Instrument** or the protection of human health or the environment and apply to the **Borrower** or to the **Mortgaged Property**. **Hazardous Materials Laws** include the **Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq.**, the **Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq.**, the **Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq.**, the **Clean Water Act, 33 U.S.C. Section 1251, et seq.**, and the **Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 et seq.**, and their state analogs.

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- B.** As used herein, the term "**Hazardous Materials**" means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls (PCBs) and compounds containing them; lead and lead-based paint; asbestos or asbestos containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which on the **Mortgaged Property** is prohibited by any governmental authority; any substance that requires special handling and any other material or substance now or in the future that (i) is defined as a "**hazardous substance**," "**hazardous material**," "**hazardous waste**," "**toxic substance**," "**toxic pollutant**," "**contaminant**," or "**pollutant**" by or within the meaning of any **Hazardous Materials Law**, or (ii) is regulated in any way by or within the meaning of any **Hazardous Materials Law**.
11. **Events of Default.** The failure to promptly observe, perform, or comply with any obligation, condition, or covenant to be observed, performed or complied with by the **Borrower** or any guarantor of the **Indebtedness** under this **Instrument**, the **Loan Agreement**, the **Note**, or any of the **Loan Documents** shall be deemed to be an "**Event of Default**". Upon the occurrence of an **Event of Default** hereunder, the **Indebtedness** shall become due and payable forthwith at the option of the **Lender**.
12. **Remedies Cumulative.** Each right and remedy provided in this **Instrument** is distinct from all other rights or remedies under this **Instrument**, the **Loan Agreement** or any other **Loan Document** or afforded by applicable law or equity, and each will be cumulative and may be exercised concurrently, independently or successively, in any order. The **Lender's** exercise of any particular right or remedy will not in any way prevent the **Lender** from exercising any other right or remedy available to the **Lender**. The **Lender** may exercise any such remedies from time to time and as often as the **Lender** chooses.
13. **Waiver of Statute of Limitations, Offsets, and Counterclaims.** The **Borrower** waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this **Instrument** or to any action brought to enforce any **Loan Document**. The **Borrower** hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by the **Lender** or otherwise to offset any obligations to make the payments required by the **Loan Documents**. No failure by the **Lender** to perform any of its obligations under this **Instrument** will be a valid defense to, or result in any offset against, any payments that the **Borrower** is obligated to make under any of the **Loan Documents**.
14. **Waiver of Marshalling.** Notwithstanding the existence of any other security interests in the **Mortgaged Property** held by the **Lender** or by any other party, the **Lender** will have the right to determine the order in which any or all of the **Mortgaged Property** will be subjected to the remedies provided in this **Instrument**, the **Note**, the **Loan Agreement**, or any other **Loan Document**, or applicable law. The **Lender** will have the right to determine the order in which any or all portions of the **Indebtedness** are satisfied from the proceeds realized upon the exercise of such remedies. The **Borrower** and any party who now or in the future acquires a security interest in the **Mortgaged Property** and who has actual or constructive notice of this **Instrument** waives any and all right to require the

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marshalling of assets or to require that any of the **Mortgaged Property** be sold in the inverse order of alienation or that any of the **Mortgaged Property** be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this **Instrument**.

15. **Further Assurances.** The **Borrower** will deliver, at its sole cost and expense, all further acts, deeds, conveyances, assignments, estoppel certificates, financing statements or amendments, transfers and assurances as the **Lender** may require from time to time in order to better assure, grant and convey to the **Lender** the rights intended to be granted, now or in the future, to the **Lender** under this **Instrument** and the **Loan Documents**.
16. **Governing Law; Consent to Jurisdiction and Venue.** This **Instrument**, and the provisions for the creation, perfection, priority, enforcement, and foreclosure of the liens and security interests created in the **Mortgaged Property** will be governed by, and construed according to, the laws of the state of Illinois. Notwithstanding the foregoing, the law of the state of Connecticut shall govern the validity and enforceability of all **Loan Documents**, and the **Indebtedness** arising hereunder (but the foregoing shall not be construed to limit the **Lender's** rights with respect to such security interest created in the state of Illinois). Nothing in this **Section 16** is intended to limit the **Lender's** right to bring any suit, action or proceeding relating to matters under this **Instrument**, the **Note**, the **Loan Agreement**, or any of the **Loan Documents** in any court of any other jurisdiction.
17. **Notices.** All notices, demands, and other communications under or concerning this **Instrument** will be governed by the terms set forth in the **Loan Agreement**.
18. **Successors and Assigns.** This **Instrument** will bind the respective successors and assigns of **Borrower** and the **Lender**, and the rights granted by this **Instrument** will inure to the **Lender's** successors and assigns.
19. **Joint and Several Liability.** If more than one party signs this **Instrument** as the **Borrower**, the obligations of such **Persons** will be joint and several.
20. **Relationship of Parties; No Third Party Beneficiary.** The relationship between the **Lender** and the **Borrower** will be solely that of creditor and debtor, respectively, and nothing contained in this **Instrument** will create any other relationship between the **Lender** and the **Borrower**. Nothing contained in this **Instrument** will constitute the **Lender** as a joint venturer, partner or agent of the **Borrower**, or render the **Lender** liable for any debts, obligations, acts, omissions, representations or contracts of the **Borrower**. No creditor of any party to this **Instrument** and no other **Person** will be a third party beneficiary of this **Instrument** or any other **Loan Document**.
21. **Severability; Amendments.** The invalidity or unenforceability of any provision of this **Instrument** will not affect the validity or enforceability of any other provision, and all other provisions will remain in full force and effect. This **Instrument** contains the entire agreement among the parties as to the rights granted and the obligations assumed in this **Instrument**. This **Instrument** may not be amended or modified except by a writing signed by the party against whom enforcement is sought.

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22. **Construction.** The captions and headings of the sections of this **Instrument** are for convenience only and will be disregarded in construing this **Instrument**. Any reference in this **Instrument** to a "**Section**" will, unless otherwise explicitly provided, be construed as referring to a section of this **Instrument**. Any reference in this **Instrument** to a statute or regulation will be construed as referring to that statute or regulation as amended from time to time. Use of the singular in this **Instrument** includes the plural and use of the plural includes the singular. As used in this **Instrument**, the term "**including**" means "**including, but not limited to**" and the term "**includes**" means "**includes without limitation**." Unless the context requires otherwise, any definition of or reference to any agreement, instrument, or other document in this **Instrument** will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in this **Instrument**). Any reference in this **Instrument** to any **Person** will be construed to include such **Person's** successors and assigns. Any capitalized term not specifically defined in this **Instrument** will have the meaning ascribed to that term in the **Loan Agreement**. The term "**Person**" as used herein, shall mean any natural person, sole proprietorship, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, limited liability limited partnership, joint venture, association, joint stock company, bank, trust, estate, unincorporated organization, any federal, state, county or municipal government (or any agency or political subdivision thereof), endowment fund or any other form of entity.
23. **Subrogation.** If, and to the extent that, the proceeds of the loan evidenced by the **Note**, or subsequent advances under **Section 10** of this **Instrument**, are used to pay, satisfy or discharge a prior lien, such loan proceeds or advances will be deemed to have been advanced by the **Lender** at the **Borrower's** request, and the **Lender** will automatically, and without further action on its part, be subrogated to the rights, including lien priority, of the owner or holder of the obligation secured by the prior lien, whether or not the prior lien is released.
24. **Confession of Judgment in Ejectment and Waiver of Trial by Jury.**
- A. **Confession of Judgment in Ejectment.** To the extent permissible under the laws of the state of Illinois, at any time after an **Event of Default**, regardless of whether the **Lender** has asserted any other right or exercised any other remedy under this **Instrument** or any of the other **Loan Documents**, it shall be lawful for any attorney of any court to confess judgment in ejectment against the **Borrower** and all **Persons** claiming under the **Borrower** for the recovery by the **Lender** of possession of all or any part of the **Mortgaged Property**, for which this **Instrument** shall be sufficient warrant. If for any reason after such action shall have commenced the same shall be discontinued and the possession of the **Mortgaged Property** shall remain in or be restored to the **Borrower**, the **Lender** shall have the right upon subsequent default or defaults to bring one or more action or actions as hereinabove set forth to recover possession of all or any part of the **Mortgaged Property**.
- B. **WAIVER OF TRIAL BY JURY.**

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- (i) THE BORROWER AND THE LENDER EACH COVENANT AND AGREE NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS THE BORROWER AND THE LENDER THAT IS TRIABLE OF RIGHT BY A JURY.
- (ii) THE BORROWER AND THE LENDER EACH WAIVE ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY, AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

25. **Acceleration; Remedies.** At any time during the existence of an **Event of Default**, the **Lender**, at the **Lender's** option, may declare all of the **Indebtedness** to be immediately due and payable without further demand, and may foreclose this **Instrument** by judicial proceeding and may invoke any other remedies permitted by Illinois law or provided in this **Instrument**, the **Loan Agreement** or in any other **Loan Document**. The **Indebtedness** will include, the **Lender** will be entitled to collect and any decree which adjudicates the amount secured by this **Instrument** will include, all costs and expenses incurred in pursuing such remedies, including attorneys' fees and costs, costs of documentary evidence, abstracts and title reports, any of which may be estimated to reflect the costs and expenses to be incurred after the entry of such a decree.
26. **Release.** Upon payment of the **Indebtedness**, the **Lender** will release this **Instrument**. The **Borrower** will pay **Lender's** reasonable costs incurred in releasing this **Instrument**.
27. **Waiver of Homestead and Redemption.** The **Borrower** releases and waives all rights under the homestead and exemption laws of the state of Illinois. The **Borrower** acknowledges that the **Mortgaged Property** does not include "agricultural real estate" or "residential real estate" as those terms are defined in 735 ILCS 5/15-1201 and 5/15-1219. Pursuant to 735 ILCS 5/15-1601(b), the **Borrower** waives any and all rights of redemption from sale under any order of foreclosure of this **Instrument**, or other rights of redemption, which may run to the **Borrower** or any other "**Owner of Redemption**", as that term is defined in 735 ILCS 5/15-1212. The **Borrower** waives all rights of reinstatement under 735 ILCS 5/15-1602 to the fullest extent permitted by Illinois law.

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28. **Maximum Amount of Indebtedness.** Notwithstanding any provision to the contrary in this **Instrument**, the **Note** or any other **Loan Document** which permits any additional sums to be advanced on or after the date of this **Instrument**, whether as additional loans or for any payments authorized by this **Instrument**, the total amount of the principal component of the **Indebtedness** will not at any time exceed **three hundred percent (300%)** of the original principal amount of the **Note** set forth on **page two (2)** of this **Instrument**.
29. **Illinois Collateral Protection Act.** Unless Borrower provides Lender with evidence of the insurance coverage required by the **Loan Documents**, the **Lender** may purchase insurance at Borrower's expense to protect **Lender's** interest in the **Mortgaged Property**. This insurance may, but need not, protect Borrower's interests. The coverage that Lender purchases may not pay any claim that Borrower may make or any claim that is made against the **Borrower** in connection with the **Mortgaged Property**. The **Borrower** may cancel any insurance purchased by the **Lender**, but only after providing Lender with evidence that Borrower has obtained insurance as required by the **Loan Documents**. If the **Lender** purchases insurance for the **Mortgaged Property**, the **Borrower** will be responsible for the costs of that insurance, including interest and any other charges that Lender may impose in connection with the placement of such insurance, until the effective date of the cancellation or expiration of such insurance. Without limitation of any other provision of this **Instrument**, the cost of such insurance will be added to the cost of the **Indebtedness** secured hereby. The cost of such insurance may be more than the cost of insurance Borrower may be able to obtain on its own.
30. **Applicability of Illinois Mortgage Foreclosure Law.** To ensure the maximum degree of flexibility of the **Loan Documents** under the **Illinois Mortgage Foreclosure Law**, if any provision of this **Instrument** is inconsistent with any applicable provision of the **Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-101, et seq.**, as amended from time to time ("**Act**"), the provisions of the **Act** will take precedence over the provisions of this **Instrument**, but the **Act** will not invalidate or render unenforceable any other provision of this **Instrument** that can be fairly construed in a manner consistent with the **Act**. Without in any way limiting any of the **Lender's** rights, remedies, powers and authorities provided in this **Instrument** or otherwise, and in addition to all of such rights, remedies, powers and authorities, the **Lender** will also have all rights, remedies, powers and authorities permitted to the holder of a mortgage under the **Act**. If any provision of this **Instrument** will grant to the **Lender** any rights, remedies, powers or authorities upon default of the **Borrower** which are more limited than what would be vested in Lender under the **Act** in the absence of such provision, the **Lender** will have such rights, remedies, powers and authorities that would be otherwise vested in it under the **Act**. Without limitation, all expenses (including attorneys' fees and costs) incurred by the **Lender** to the extent reimbursable under **735 ILCS 5/15-1510, 5/15-1512** or any other provision of the **Act**, whether incurred before or after any judgment of foreclosure, will be added to the **Indebtedness** and included in the judgment of foreclosure.

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31. Protective Advances.

- A. All advances, disbursements and expenditures made or incurred by the **Lender** before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this **Instrument** or by the Act (collectively, the "**Protective Advances**"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:
- (i) All advances by the **Lender** in accordance with the terms of this **Instrument** to: (1) preserve, maintain, repair, restore or rebuild the **Improvements** upon the **Mortgaged Property**; (2) preserve the lien of this **Instrument** or the priority thereof; or (3) enforce this **Instrument**, as referred to in **Subsection (b)(5) of Section 15-1302 of the Act**;
 - (ii) Payments by the **Lender** of: (1) principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance; (2) real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the **Mortgaged Property** or any part thereof; (3) other obligations authorized by this **Instrument**; or (4) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in **Section 15-1505 of the Act**;
 - (iii) Advances by the **Lender** in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;
 - (iv) Attorneys' fees and other costs incurred: (1) in connection with the foreclosure of this **Instrument** as referred to in **Sections 15-1504(d)(2) and 15-1510 of the Act**; (2) in connection with any action, suit or proceeding brought by or against **Lender** for the enforcement of this **Instrument** or arising from the interest of the **Lender** hereunder; or (3) in connection with the commencement, prosecution or defense of any other action related to this **Instrument** or the **Mortgaged Property**;
 - (v) **Lender's** fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in **Subsection (b)(1) of Section 15-1508 of the Act**;
 - (vi) Expenses deductible from proceeds of sale as referred to in **Subsections (a) and (b) of Section 15-1512 of the Act**;
 - (vii) Expenses incurred and expenditures made by the **Lender** for any one or more of the following:
 - (a) If the **Mortgaged Property** or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof deemed by the **Lender** to be required to be paid;

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- (b) If the **Mortgagor's** interest in the **Mortgaged Property** is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease;
- (c) Premiums for casualty and liability insurance paid by the **Lender** whether or not the **Lender** or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or mortgagee takes possession of the **Mortgaged Property** imposed by **Subsection (c)(1) of Section 15-1704 of the Act**;
- (d) Repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards;
- (e) Payments deemed by the **Lender** to be required for the benefit of the **Mortgaged Property** or required to be made by the owner of the **Mortgaged Property** under any grants or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the **Mortgaged Property**;
- (f) Shares or common expense assessments payable to any association or corporation in which the owner of the **Mortgaged Property** is a member in any way affecting the **Mortgaged Property**;
- (g) If the loan secured hereby is a construction loan, costs incurred the **Lender** for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment, loan agreement, or other agreement;
- (h) Payments deemed by this **Instrument** to be required pursuant to any lease or other agreement for occupancy of the **Mortgaged Property**; and
- (i) If this **Instrument** is insured, payments of FHA or private mortgage insurance required to keep such insurance in force.
- B.** All **Protective Advances** shall be additional indebtedness secured by this **Instrument**, and shall become immediately due and payable without notice and with interest thereon at the **Borrowing Rate** provided for in the **Note**, beginning at the date of the advance until paid.
- C.** This **Instrument** shall be a lien for all **Protective Advances** as to subsequent purchasers and judgment creditors from the time this **Instrument** is recorded pursuant to **Subsection (b)(5) of Section 15-1302 of the Act**.
- D.** All **Protective Advances** shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the **Act**, apply to and be included in:

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- (i) Determination of the amount of indebtedness secured by this **Instrument** at any time;
 - (ii) The indebtedness found due and owing to the **Lender** in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry or judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purposes;
 - (iii) If right of redemption has not been waived by this **Instrument**, computation of amount required to redeem, pursuant to **Subsections (d) of Sections 15-1603 of the Act**;
 - (iv) Determination of amounts deductible from sale proceeds pursuant to **Section 15-1512 of the Act**;
 - (v) Application of income in the hands of any receiver or the **Lender** in possession; and
 - (vi) Computation of any deficiency judgment pursuant to **Subsections (b)(2) and (3) of Sections 15-1508 and Section 15-1511 of the Act**.
32. **Lender in Possession.** In addition to any provision of this **Instrument** authorizing the **Lender** to take or be placed in possession of the **Mortgaged Property**, or for the appointment of a receiver, the **Lender** shall have the right, in accordance with **Sections 15-1701 and 15-1702 of the Act**, to be placed in possession of the **Mortgaged Property** or at its request to have a receiver appointed, and such receiver, or the **Lender**, if and when placed in possession, shall have, in addition to any other powers provided in this **Instrument**, all rights, powers, immunities, and duties as provided for in **Sections 15-1702 and 15-1703 of the Act**.
33. **Future Advances.** If and to the extent that any portion of the **Indebtedness** is to be advanced from and after the date of the making of the **Loan**, the **Lender** agrees to make such advances in accordance with the terms and conditions of the **Loan Agreement**, which has been executed contemporaneously with this **Instrument**, and such amounts will be a lien from the date of recordation of this **Instrument** as provided in **5/15-1302(b)(1) of the Act**.

[Remainder of this page intentionally left blank]

UNOFFICIAL COPY

IN WITNESS WHEREOF, the Borrower has signed and delivered this Instrument or has caused this Instrument to be signed and delivered by its duly authorized representative.

Franklin Associates, LLC

Witness: _____

By: _____

Name: Robert Franklin III

Title: Manager

Witness: _____

Witness: _____

By: _____

Name: Stacey Franklin

Title: Manager

Witness: _____

STATE OF Illinois)

) ss. _____

COUNTY OF cook)

I certify that on January 25, 2017, **Robert Franklin III** came before me in person and stated to my satisfaction that he/she made the attached instrument; and was authorized to and did execute this instrument on behalf of, and as **Manager of Franklin Associates, LLC** (the "Company"), the entity named in this instrument, as the free act and deed of the **Company**, by virtue of the authority granted by its operating agreement and its member.

Name: Henry Small

Notary Public

My Commission Expires on: 1-17-20



UNOFFICIAL COPY

STATE OF Illinois)
) ss. _____
 COUNTY OF COOK)

I certify that on January 25, 2017, **Stacey Franklin** came before me in person and stated to my satisfaction that he/she made the attached instrument; and was authorized to and did execute this instrument on behalf of, and as **Manager of Franklin Associates, LLC** (the "**Company**"), the entity named in this instrument, as the free act and deed of the **Company**, by virtue of the authority granted by its operating agreement and its members.

Henry Small
 Name: HENRY SMALL
 Notary Public
 My Commission Expires on: 1-17-20



PROPERTY of Cook County Clerk's Office

UNOFFICIAL COPY

SCHEDULE A PROPERTY DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS AND IS DESCRIBED AS FOLLOWS:

The following described Real Estate situated in the County of Cook, in the State of Illinois, to wit:

Lot 18 and West 10 Feet of Lot 17 in Block 8 in New Roseland, being a subdivision of part of fractional Section 33, North of Indian Boundary line, and Part of fractional Section 28 and 33, South of Indian Boundary Line, all in Township 37 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

~~SUBJECT TO ANY AND ALL RESTRICTIONS, EXCEPTIONS, RESERVATIONS, STIPULATIONS, CONDITIONS, RIGHTS OF WAY AND EASEMENTS OF RECORD.~~

Being the same property as conveyed to Robert L. Franklin and Stacey Franklin, husband and wife not as tenants in common but as joint tenants from TCF National Bank, a national association dated April 22, 2015, recorded on May 22, 2015 as Doc# 1514241132, Cook County Records.

For informational purposes only: 464 West 128th Place, Chicago, IL 60428

Tax Parcel # 25331080490000