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## Illinois Anti-Predatory Lending Database Program

Certificate of Exemption

40031868(1/3)



Report Mortgage Fraud  
844-768-1713



\*1734057033\*

Doc# 1734057033 Fee \$78.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 12/06/2017 12:54 PM PG: 1 OF 21

The property identified as: **PIN:** 14-20-426-016-0000

**Address:**

**Street:** 918-924 WEST BELMONT AVE

**Street line 2:**

**City:** CHICAGO

**State:** IL

**ZIP Code:** 60657

**Lender:** EMPLOYERS REASSURANCE CORPORATION

**Borrower:** 918-924 BELMONT, LLC.

**Loan / Mortgage Amount:** \$7,700,000.00

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

**Certificate number:** D8A7801B-5209-4B50-BE6B-7AF931A20DEB

**Execution date:** 11/29/2017

(21)

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40031268 (FH) 1  
 This instrument was prepared by,  
 and after recording return to:

Principal Real Estate Investors, LLC  
 801 Grand Avenue  
 Des Moines, IA 50392-1360  
 ATTN: Kristen Fahey

Property Address:  
 918-924 West Belmont Avenue  
 Chicago, Illinois 60657

Property Index Nos.:  
 14-20-426-016-0000  
 14-20-426-017-0000

## MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, FIXTURE FILING AND SECURITY AGREEMENT 758101

A. THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, FIXTURE FILING AND SECURITY AGREEMENT (as the same may from time to time hereafter be modified, supplemented or amended, this "**Mortgage**") is made as of November 11, 2017, by 918-924 BELMONT, LLC, an Illinois limited liability company, having its principal place of business and post office address at 1405 West Diversey Parkway, Chicago, Illinois, 60614, as "**Borrower**" ("Borrower" to be construed as "Borrowers" if the context so requires), in favor of EMPLOYERS REASSURANCE CORPORATION, a Kansas corporation, having its post office address at c/o Principal Real Estate Investors, LLC, 801 Grand Avenue, Des Moines, Iowa 50392-1450, together with its successors and assigns, as "**Lender**".

WITNESSETH:

B. This Mortgage is given to secure a loan in the original principal sum of Seven Million Seven Hundred and 00/100 Dollars (\$7,700,000.00) (the "**Loan Amount**") or so much thereof as may be advanced pursuant to that certain Loan Agreement dated of even date herewith between Borrower and Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**") and evidenced by that certain Note (as defined in the Loan Agreement). This Mortgage is given pursuant to the Loan Agreement, and payment, fulfillment, and performance by Borrower of its obligations thereunder and under the other Loan Documents are secured hereby, and each and every term and provision of the Loan Agreement, and the Note, including the rights, remedies, obligations, covenants,

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conditions, agreements, indemnities, representations and warranties of the parties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Mortgage (the Loan Agreement, the Note, this Mortgage, and all other documents evidencing or securing the Indebtedness, except the Environmental Indemnity, are hereinafter referred to collectively as the "**Loan Documents**"). Capitalized terms used herein and not otherwise defined shall have those meanings given to them in the Loan Agreement or the other Loan Documents.

C. NOW, THEREFORE, to secure the payment of the Indebtedness in accordance with the terms and conditions of the Loan Documents, and all extensions, modifications and renewals thereof and the performance of the covenants and agreements contained therein, and also to secure the payment of any and all other Indebtedness, direct or contingent, that may now or hereafter become owing from Borrower to Lender in connection with the Loan Documents, and in consideration of the Loan Amount in hand paid, receipt of which is hereby acknowledged:

## Article I - GRANTS OF SECURITY

Section 1.1 Property Conveyed. Borrower does by these presents mortgage, warrant, grant, and convey unto Lender, its successors and assigns forever, (i) the Land (as hereinafter defined); (ii) the Improvements (as hereinafter defined); and (iii) all of Borrower's present and future estate, right, title and interest in, to and under the following described property now owned or held or hereafter acquired from time to time (collectively the "**Premises**"):

(a) Land. All that certain real property described in Exhibit A attached hereto and made a part hereof (the "**Land**");

(b) Additional Land. All additional lands, estates and development rights hereafter acquired by Borrower for use in connection with the Land and the development of the Land and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Mortgage;

(c) Leases and Rents. All Lease(s) and all Rents, which are pledged and assigned absolutely and directly (and not merely collaterally);

(d) Easements/Intangibles/Licenses. All tenements, hereditaments, easements, appurtenances, passages, decreed or undecreed water rights, water courses, riparian rights, direct flow, ditch(es), reservoir, well, spring, seepage and pond rights and other types of water rights which are underlying, appurtenant to or customarily or historically used upon or associated with the Premises, whether or not adjudicated, whether tributary or nontributary and whether evidenced by deed, water or ditch stock, permit or otherwise, sewer rights, all rights to naturally occurring oil, gas, minerals, geothermal resources, timber and crops under, through, upon or appurtenant to the Premises, all air rights and development rights, zoning rights, tax credits or

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appurtenances of any nature whatsoever in any way now or hereafter belonging, relating or pertaining to the Premises or any part thereof, all tradenames, trademarks, servicemarks, logos, copyrights, goodwill, URLs or other online media, books and records and all other general intangibles relating to or used in connection with the operation of the Premises, licenses, permits and contracts, and all other rights of any kind or character in any way now or hereafter appertaining to the Premises, including but not limited to, homestead and any other claim at law or in equity as well as any after-acquired title, franchise or license and the reversion and reversions and remainder and remainders thereof and any and all strips and gores of land adjacent to and used in connection with the Premises and all the ways, streets, sidewalks and alleys adjoining the Premises.

(e) Improvements/Fixtures. (i) Any and all buildings and improvements of every kind and description now or hereafter erected or placed on the Land which are not subject to ground or "pad" leases; (ii) all right, title and interest of Borrower in and to any and all buildings and improvements of every kind and description now or hereafter erected or placed on the Land which are subject to ground or "pad" leases; (iii) all materials intended for construction, reconstruction, alteration and repairs of such buildings and improvements now or hereafter erected on the Land, all of which materials shall be deemed to be included within the Land immediately upon the delivery thereof to the Land, (iv) all improvements in which Borrower now or hereafter has any right, title and/or interest and attached to or contained in and used in connection with the Premises and appurtenances thereto; and (v) all items of furniture, furnishings, fixtures, machinery, engines, compressors, motors, elevators, pipes, pumps, tanks, fittings, conduit, wiring, radiators, awnings, shades, screens, all gas and electric fixtures, appliances (including without limitation, ranges, rangetops, ovens, stoves, cooking apparatus and appurtenances, dishwashers, refrigerators, trash compactors, microwaves, washers, dryers, and garbage disposals), water heaters, mirrors, mantels, carpeting and all other floor coverings, window coverings and treatments, cable television equipment, water softeners, storm sashes, plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning, lifting, cleaning, communications, fire prevention, fire extinguishing and sprinkler equipment and fixtures and appurtenances thereto, other equipment and personal property in which Borrower now or hereafter has any right, title and/or interest and used or useful in the operation of the Premises or otherwise related to the Premises; and all renewals or replacements of all of the aforesaid property or articles in substitution therefor, whether or not the same are or shall be attached to said buildings or improvements in any manner and regardless of where situated, used, usable, or intended to be used in connection with any present or future use or operation of or upon said Land (the foregoing (i)-(v) collectively, the "**Improvements**"); it being mutually agreed, intended and declared that all the aforesaid Improvements shall, so far as permitted by law, be deemed to form a part and parcel of the Land and for the purpose of this Mortgage to be Land and covered by this Mortgage, and as to any of the property aforesaid which does not form a part and parcel of the Land or does not constitute a "fixture" (as such term is defined in the UCC) this Mortgage and the other Loan

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Documents (the terms of which grant a security interest in personal property or real property, the proceeds of which may become personal property) are each hereby deemed to be, as well, a security agreement under the UCC for the purpose of creating a security interest in all items, including, but not limited to all property and rights which Borrower may grant, assign, bargain, sell, transfer, set over, deliver, or otherwise convey to Lender, as secured party, under the terms of this Mortgage or any of the other Loan Documents, including any and all proceeds thereof (as used herein, Borrower shall mean "Debtor" under the UCC and Lender shall mean "Secured Party" under the UCC), and this instrument shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included in the Premises;

(f) Additional Security. All funds, monies, accounts, deposits, and all proceeds of the foregoing now or hereafter held by Lender pursuant to the Loan Documents, any collection account, reserve account or security deposit account required by Lender pursuant to the terms of the Loan Documents (including, without limitation, Reserve Funds), any property reserves agreement, escrow security agreement, any letter(s) of credit (and any proceeds derived from any letter(s) of credit) under any of the terms hereof or of the Loan Documents and all of Borrower's payment intangibles, letter of credit rights, rights under interest rate cap agreements, tenant in common agreement rights, any and all tax and utility refunds or rebates related to the Premises (regardless of the time period in which they relate) and any contract rights of Borrower related in any manner to the ownership, operation, or management of the Premises, as well as any and all supporting obligations, and all proceeds, renewals, replacements and substitutions thereof;

(g) Accounts/Proceeds/Awards. All funds, monies, accounts, deposits, now or hereafter granted by Borrower to Lender under the Loan Documents (including any Reserve Funds) and proceeds of any of the foregoing whether or not such funds, monies, accounts, deposits, or proceeds thereof are held by Lender under the terms of any of the Loan Documents, including, but not limited to bankruptcy claims of Borrower against any tenant at the Premises, and any proceeds thereof; all proceeds of any Rent, payments due under interest rate cap agreements, insurance proceeds from all insurance policies required to be maintained by Borrower under the Loan Documents, and all awards, decrees, proceeds, settlements or claims for damage now or hereafter made to or for the benefit of Borrower by reason of a Casualty or a Condemnation;

(h) Agreements. All agreements (including, without limitation, any contract of sale), contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Land and any part thereof and any Improvements or respecting any business or activity conducted on the Land and any part thereof and all right, title and interest of Borrower therein and thereunder, including, without limitation, the right, upon

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the happening of any default hereunder, to receive and collect any sums payable to Borrower thereunder; and

(i) Other Property. All other accounts, general intangibles, instruments, investment property, documents, chattel paper, goods, moneys, letters of credit, letter of credit rights, certificates of deposit, deposit accounts, commercial tort claims, oil, gas and minerals, and all other property and interests in property of the Borrower whether tangible or intangible, in which Borrower now or hereafter has any right, title and/or interest and is used or useful in the operation of the Premises or otherwise related to the Premises, together with proceeds thereof.

Further, Borrower hereby grants a security interest in and to any of the Premises constituting personal property (collectively, the "**Personal Property**") to Lender and appoints Lender as its attorney-in-fact to execute such documents necessary to perfect Lender's security interest and Borrower authorizes Lender at any time until the Indebtedness is paid in full, to prepare and file, at Borrower's expense, any and all UCC financing statements, amendments, assignments, renewals, terminations and the like, necessary to create and/or maintain a prior security interest in such property all without Borrower's execution of the same, including without limitation, financing statements describing the collateral as "all assets", "all personal property", or words of similar effect.

## Section 1.2 Assignment of Leases and Rents.

(a) Borrower unconditionally and absolutely assigns to Lender all of Borrower's right, title and interest as lessor in and to the Leases and Rents. It is intended hereby to establish a present and complete transfer of all the Leases and all rights of the lessor thereunder and all the Rents unto Lender, subject to the terms and conditions of this Section 1.2, with the right, but without the obligation, to collect all of said Rents, which may become due during the life of the Loan. Borrower hereby appoints Lender the true and lawful attorney of Borrower with full power of substitution and with power for it and in its name, place and stead, to demand, collect, give receipts and releases for any and all Rents herein assigned which may be or become due and payable by the lessees and other occupants of the Premises, and at its discretion to file any claim or take any other action or proceeding and make any settlement of any claims, either in its own name or in the name of Borrower or otherwise, which Lender may deem necessary or desirable in order to collect and enforce the payment of any and all Rents. Lessees of the Premises, or any part thereof, are hereby expressly authorized and directed to pay all Rents herein assigned to Lender or such nominee as Lender may designate in writing delivered to and received by such lessees who are expressly relieved of any and all duty, liability or obligation to Borrower in respect of all payments so made. Notwithstanding anything to the contrary set forth herein, prior to an Event of Default, Lender grants Borrower a revocable license to enforce all provisions contained in the Leases and collect and use (subject to the terms and conditions of the Loan Agreement), all Rents. Upon the occurrence of an Event of Default, unless the same has been specifically waived in

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writing, all Rents collected or received by Borrower or any agent of Borrower shall be deemed to have been accepted and held for Lender in trust and shall not be commingled with the funds and property of Borrower, but shall be promptly paid or caused to be paid over to Lender.

(b) It is the intention of Lender and Borrower that the assignment effectuated hereby with respect to the Rents and other amounts due under the Leases shall be a direct, absolute and currently effective assignment and shall not constitute merely the granting of a lien, collateral assignment or a security interest or pledge for the purpose of securing the Indebtedness secured by this Mortgage and is effective whether or not a default occurs hereunder or under the Loan Documents. In the event that a court of competent jurisdiction determines that, notwithstanding such expressed intent of the parties, Lender's interest in the Rents or other amounts payable under the Leases constitutes a lien or security interest in or pledge thereof, it is agreed and understood that the forwarding of a notice to Borrower after the occurrence of an Event of Default, advising Borrower of the revocation of Borrower's license to collect such Rents shall be sufficient action by Lender to (i) perfect such lien on or security interest in or pledge of the Rents, (ii) take possession thereof, and (iii) entitle Lender to immediate and direct payment of the Rents for application as provided in the Loan Documents, all without the necessity of any further action by Lender, including, without limitation, any action to obtain possession of the Land, Improvements or any other portion of the Premises. Notwithstanding the direct and absolute assignment of the Rents, there shall be no partial reduction of any portion of the Indebtedness secured by this Mortgage except with respect to Rents actually received by Lender and applied by Lender toward payment of such Indebtedness.

(c) Without limitation of the absolute nature of the assignment of the Rents, Borrower and Lender agree that (i) this Mortgage shall constitute a "security agreement" for purposes of 11 U.S.C. Section 552(b), (ii) the security interest created by this Mortgage extends to property of Borrower acquired before the commencement of a case in bankruptcy and to all amounts paid as Rents (including, without limitation, any Extraordinary Rental Payments), and (iii) such security interest shall extend to all Rents (including, without limitation, any Extraordinary Rental Payments) acquired by the estate after the commencement of any case in bankruptcy. Without limitation of the absolute nature of the assignment of the Rents, to the extent Borrower (or Borrower's bankruptcy estate) shall be deemed to hold any interest in the Rents (including, without limitation, any Extraordinary Rental Payments) after the commencement of a voluntary or involuntary bankruptcy case, Borrower hereby acknowledges and agrees that such Rents (including, without limitation, any Extraordinary Rental Payments) are and shall be deemed to be "cash collateral" under Section 363 of the Bankruptcy Code. During the pendency of such bankruptcy case, Borrower may not use the cash collateral without the consent of Lender and/or an order of any bankruptcy court pursuant to 11 U.S.C. 363(c)(2), and Borrower hereby waives any right it may have to assert that such Rents (including, without limitation, any Extraordinary Rental Payments) do not constitute cash

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collateral. No consent by Lender to the use of cash collateral by Borrower shall be deemed to constitute Lender's approval, as the case may be, of the purpose for which such cash collateral was expended.

(d) Borrower acknowledges and agrees that, upon recordation of the Mortgage, Lender's interest in the Rents shall be deemed to be fully perfected, and enforced as to Borrower and all third parties, including, without limitation, any subsequently appointed trustee in any case under the Bankruptcy Code, without the necessity of (a) commencing a foreclosure action with respect to this Mortgage, (b) furnishing notice to Borrower or tenants under the Leases, (c) making formal demand for the Rents, (d) taking possession of the Premises as a lender-in-possession, (e) obtaining the appointment of a receiver of the Rents and profits of the Premises, (f) sequestering or impounding the Rents, or (g) taking any other affirmative action.

(e) The collection of Rents and the application thereof as set forth in the Loan Documents shall not cure or waive any Event of Default or notice of default under the Loan Documents or invalidate any act done pursuant to such notice, except to the extent any such Event of Default is specifically waived in writing. Failure or discontinuance of Lender at any time, or from time to time, to collect any Rents shall not impair in any manner the subsequent enforcement by Lender of the right, power and authority herein conferred on Lender. Nothing contained herein, including the exercise of any right, power or authority herein granted to Lender, shall be, or be construed to be, an affirmation by Lender of any tenancy, Lease or option or right to possession otherwise, or an assumption of liability under, or the subordination of the lien or charge of this Mortgage to any such tenancy, Lease or option or right to possession otherwise. Borrower hereby agrees that, in the event Lender exercises its rights as provided for in this Mortgage, Borrower waives any right to compensation for the use of Borrower's furniture, furnishings or equipment in the Premises for the period such assignment of rents or receivership is in effect, it being understood that the Rents derived from the use of any such items shall be applied to Borrower's obligations hereunder as provided for herein.

## CONDITIONS TO GRANT

TO HAVE AND TO HOLD the same unto the Lender, its successors and assigns forever, for the purposes and uses expressed herein or in the Loan Agreement.

WITH POWER OF SALE, to secure payment of the Indebtedness at the time and in the manner provided for its payment in the Note, the Loan Agreement and this Mortgage.

PROVIDED, HOWEVER, these presents are upon the express condition that, if the Indebtedness shall be paid to Lender at the time and in the manner provided in the Note, the Loan Agreement and this Mortgage, the Other Obligations as set forth in this Mortgage shall be performed and each and every covenant and condition set forth herein and in the Note, the Loan



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Agreement and the other Loan Documents shall be abided by and complied with, these presents and the estate hereby granted shall cease, terminate and be void with respect to the Premises, provided, however, that Borrower's obligation to indemnify and hold harmless Lender pursuant to the provisions of the Loan Documents with respect to matters relating to any period of time during which this Mortgage was in effect shall survive any such payment or release to the extent set forth in the Loan Documents or the Environmental Indemnity.

## Article II - DEBT AND OBLIGATIONS SECURED

Section 2.1 Debt. This Mortgage and the grants, assignments and transfers made in Article I are given for the purpose of securing the Indebtedness.

Section 2.2. Other Obligations. This Mortgage and the grants, assignments and transfers made in Article I are also given for the purpose of securing the following (the "Other Obligations"):

- (a) the performance of all other obligations of Borrower contained herein;
- (b) the performance of each obligation of Borrower contained in the Loan Agreement and any other Loan Document; and
- (c) the performance of each obligation of Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, substitution or replacement for, all or any part of the Note, the Loan Agreement or any other Loan Document.

Section 2.3 Maturity Date. The unpaid balance of the Indebtedness evidenced by the Note and secured by this Mortgage shall be due and payable on December 1, 2027.

## Article III - DUE ON SALE/ENCUMBRANCE

Section 3.1 No Sale/Encumbrance. Subject to and in accordance with Section 7.1(a)(vi) and Section 4.2.3 of the Loan Agreement, it shall be an Event of Default if Borrower or any Person(s) owning an interest in Borrower shall, in violation of the terms of the Loan Agreement, without the prior written consent of Lender, permit, acquiesce to or allow any of the following to occur: (A) a sale, conveyance, option to sell, assignment, transfer, encumbrance (other than (i) the Permitted Encumbrances, or (ii) any lien affecting the Premises for which Borrower is contesting and has complied with the Contest Requirements provided the same does not result in a Transfer of title to or interest in the Premises), including any mortgage, hypothecation, lien or conveyance of security title, alienation, pledge, forfeiture or other disposition (whether directly or indirectly, voluntary or involuntary, or by operation of law) of all or any portion of the Premises or an interest in the Premises or direct or indirect ownership interests in the Borrower; (B) the reconstitution or conversion of Borrower and/or any Person(s) owning an interest in Borrower from one Entity type to another Entity type, including (i) any

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change in the state of formation or organization or incorporation of Borrower, (ii) any change in the name of Borrower, (iii) the conversion of any general partnership interest in Borrower to a limited partnership interest if Borrower is a partnership, or any change, removal, or resignation of any general partner of Borrower if Borrower is a partnership, (iv) the admission of an Interest Owner as, or conversion of an existing Interest Owner into, a holder of any "preferred equity" in Borrower (obligating the Borrower to make payments to such Interest Owner without regard to cash flow of the Premises), and (v) a partial or complete liquidation, dissolution or termination of Borrower and/or any general partner of Borrower; (C) the issuance or other creation of ownership interests in the Borrower and/or any Person(s) owning an interest in Borrower; (D) a merger, consolidation, reorganization or any other business combination with respect to Borrower and/or any Person(s) owning an interest in Borrower; (E) a conversion to or operation of all or any portion of the Premises as a cooperative or condominium form of ownership; (F) if the Borrower is a trust, or if a trust owns a direct ownership interest in Borrower, the revocation, termination or expiration of such trust or the addition, deletion or substitution of a trustee of such trust; or (G) the acknowledgement or consent by Borrower to an encumbrance on, or an assessment against, all or any portion of the Premises to any Governmental Incentive Financing. In the event of any inconsistencies between the terms and conditions of this Article III and the terms and conditions of Section 4.2.3 of the Loan Agreement, the terms and conditions of Section 4.2.3 of the Loan Agreement shall control and be binding.

## Article IV - LENDER RIGHTS AND REMEDIES UPON EVENT OF DEFAULT

### Section 4.1 Remedies.

(a) Upon the occurrence and continuance of any Event of Default, Lender may declare all sums secured by this Mortgage immediately due and payable without any presentment, demand, protest or notice of any kind, as provided in the Note.

(b) Upon the occurrence and continuance of any Event of Default, Lender may, but need not, make any payment or perform any act required of Borrower in the Loan Documents, in any form and manner deemed expedient and may, but need not, purchase, discharge, compromise or settle any tax lien or other prior lien or assertion of title or claim thereof, or redeem from any tax sale or forfeiture affecting said Premises, or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all reasonable expenses paid or incurred in connection therewith, including but not limited to, reasonable attorneys' fees and costs and reasonable attorneys' fees and costs on appeal, and any other money advanced by Lender to protect the Premises and the lien hereof, shall be so much additional Indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the Default Rate from the date of expenditure or advance until paid. In making any payment hereby authorized relating to taxes or assessments or for the purchase, discharge, compromise or settlement of any prior lien, Lender may make such payment according to any bill, statement or estimate secured from the appropriate public office without inquiry into the accuracy thereof or into the validity of any tax, assessment, sale, forfeiture, tax lien or

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assertion of title or claim thereof or without inquiry as to the validity or amount of any claim for lien which may be asserted.

(c) Upon the occurrence and continuance of any Event of Default, in addition to any other rights or remedies provided in the Loan Documents, at law, in equity or otherwise, Lender shall have the right to foreclose the lien hereof, and to the extent permitted herein and by applicable law to sell the Premises by sale independent of the foreclosure proceedings.

(d) Upon the occurrence and continuance of an Event of Default, Borrower shall forthwith upon demand of Lender surrender to Lender possession of the Premises, and Lender shall be entitled to take actual possession of the Premises or any part thereof personally or by its agents or attorneys, and Lender in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of the Premises together with all documents, books, records, papers and accounts of the Borrower or the then owner of the Premises relating thereto, and may exclude Borrower, its agents or assigns wholly therefrom, and may as attorney-in-fact or agent of the Borrower, or in its own name as Lender and under the powers herein granted:

(i) hold, operate, maintain, repair, rebuild, replace, alter, improve, manage or control the Premises as it deems judicious, insure and reinsure the same and any risks related to Lender's possession and operation thereof and receive all Rents, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion it deems necessary to enforce the payment or security of the Rents, including actions for the recovery of Rent, actions in forcible detainer and actions in distress for Rents, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Borrower; and

(ii) conduct leasing activity pursuant to the provisions of the Loan Agreement.

Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any Lease. Except to the extent that the same is caused solely by Lender's gross negligence or willful misconduct, should Lender incur any liability, loss or damage under any Leases, or under or by reason of the assignment of Leases contained herein, or in the defense of any claims or demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements in any Lease, the amount thereof, including costs, expenses and

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reasonable attorneys' fees and costs, shall be added to the Indebtedness and secured hereby.

(e) Upon the occurrence and continuance of an Event of Default, Lender in the exercise of the rights and powers conferred upon it shall have the full power to use and apply the Rents, less costs and expenses of collection to the payment of or on account of the items listed in (i) – (iii) below, at the election of Lender and in such order as Lender may determine as follows:

(i) to the payment of (A) the expenses of operating and maintaining the Premises, (B) premiums on insurance as hereinabove authorized, (C) taxes and special assessments now due or which may hereafter become due on the Premises, and (D) expenses of placing the Premises in such condition as will, in the sole judgment of Lender, make it readily rentable;

(ii) to the payment of any principal, interest or any other Indebtedness secured hereby or any deficiency which may result from any foreclosure sale;

(iii) to the payment of established claims for damages, if any, and reasonable attorneys' fees and costs.

The manner of the application of Rents, the reasonableness of the costs and charges to which such Rents are applied and the item or items which shall be credited thereby shall be within the sole and unlimited discretion of Lender. To the extent that the costs and expenses in (i) and (iii) above exceed the amounts collected, the excess shall be added to the Indebtedness and secured hereby.

(f) Upon the occurrence and continuance of an Event of Default, Lender may proceed at its election, in any sequence to dispose: (1) of any Personal Property separately from the sale of any real property in accordance with the UCC or other applicable law; or (2) of some or all of the Premises and the Personal Property in any combination consisting of both real and personal property together in one or more sales to be held in accordance with the provisions of the UCC or other applicable law. The expenses of retaking, holding, preparing for sale or the like as provided in the UCC shall include reasonable attorneys' fees and other expenses of Lender and shall be additionally secured by this Mortgage.

Section 4.2 *Appointment of a Receiver.* Upon the occurrence and continuance of any Event of Default, unless the same has been specifically waived in writing, Lender may apply to any court having jurisdiction for the appointment of a receiver of the Premises. Such appointment shall be a matter of right and may be made either before or after sale, without notice, without regard to the solvency or insolvency of Borrower at the time of application for such receiver and without regard to the then value of the Premises or the adequacy of Lender's security. Lender may be appointed as such receiver. The receiver shall have power to collect

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the Rents during the pendency of any foreclosure proceedings and, in case of a sale, during the full statutory period of redemption, if any, as well as during any further times when Borrower, except for the intervention of such receiver, would be entitled to collect such Rents. In addition, the receiver shall have all other powers which shall be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in its possession at Lender's election and in such order as Lender may determine in payment in full or in part of those items listed in the section above.

Section 4.3 Application of Proceeds After Foreclosure or Sale. The proceeds of any foreclosure sale, or other sale of the Premises in accordance with the terms hereof or as permitted by law, shall be distributed and applied in the following order of priority: first, to the payment of all costs and expenses incident to the foreclosure and/or sale proceedings; second, to the payment of all items which under the terms hereof constitute secured Indebtedness in such order as Lender may elect in its sole and absolute discretion; third, then any surplus to such parties as are entitled thereto under any applicable legal requirements; and then the remainder, if any, to the Borrower or Borrower's successors or assigns, as their rights may appear. In any suit to foreclose the lien of the Mortgage, and in any sale proceedings of the Premises, there shall be allowed and included as additional Indebtedness payable by Borrower to Lender and secured hereby all expenditures and expenses which may be paid or incurred by or on behalf of Lender for reasonable attorneys' fees and costs, appraisers' fees, expenditures for documentary and expert evidence, stenographer's charges, publication and advertising costs, survey costs, environmental audits and costs of procuring appropriate evidence of title, as Lender deems reasonably necessary either to prosecute such suit or to consummate such sale or to evidence to bidders at any sale the true condition of the title to or the value of the Premises.

## Article V - Miscellaneous

Section 5.1 Invalidity of Provisions. In the event one or more provisions of the Loan Documents shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and the Loan Documents shall be construed as if any such provision had never been contained herein.

Section 5.2 Release upon Payment in Full. Upon payment in full of the principal sum, interest and other Indebtedness secured by the Loan Documents, these presents shall be null and void, and Lender shall release this Mortgage and the lien hereof by proper instrument executed in recordable form.

Section 5.3 Successors and/or Assigns. This Mortgage and all provisions hereof shall inure to the benefit of the heirs, successors and assigns of Lender and shall bind the heirs and successors and assigns of Borrower.

Section 5.4 Conflict/Construction of Documents. The terms of the Loan Documents and the Environmental Indemnity shall be construed and interpreted without any presumption,

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inference, or rule requiring construction or interpretation of any provision of the Loan Documents and the Environmental Indemnity against the interest of the party causing the Loan Documents and the Environmental Indemnity or any portion of it to be drafted. In the event of any conflict or inconsistency between the terms of this Mortgage and the terms of the Loan Agreement, the terms of the Loan Agreement shall prevail. Borrower is entering into the Loan Documents and the Environmental Indemnity freely and voluntarily without any duress, economic or otherwise.

Section 5.5 Limitation on Lender's Responsibility. No provision of the Loan Documents shall operate to place any obligation or liability for the control, care, management or repair of the Premises upon Lender, nor shall it operate to make Lender liable for carrying out any of the terms and conditions of any of the Leases, nor shall it operate to make Lender responsible or liable for any waste committed on the Premises by the tenants or any other Person, or for any dangerous or defective condition of the Premises, or for any negligence in the management, upkeep, repair or control of the Premises resulting in loss or injury or death to any tenant, licensee, employee or stranger. Nothing herein contained shall be construed as constituting Lender a "mortgagee in possession."

Section 5.6 Governing Law. This Mortgage shall be governed by, and construed in accordance with, the laws of the state where the Premises is located, without regard to its conflicts of law principles.

Section 5.7 Waiver of Trial by Jury. BORROWER AND LENDER EACH KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE, TO THE EXTENT PERMITTED BY LAW, TRIAL BY JURY IN ANY ACTIONS BROUGHT BY BORROWER OR LENDER IN CONNECTION WITH THIS MORTGAGE, ANY OF THE LOAN DOCUMENTS, THE INDEBTEDNESS SECURED HEREBY, OF ANY OTHER STATEMENTS OR ACTIONS OF LENDER.

Section 5.8 Joint and Several. If more than one party is obligated for any obligations hereunder, then all obligations and agreements of such parties, as applicable, shall be joint and several.

Section 5.9 Headings, etc. The headings and captions of various paragraphs of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 5.10 Counterparts. This Mortgage may be executed in counterparts, each of which shall be deemed an original; and such counterparts when taken together shall constitute but one agreement.

Section 5.11 Recourse Obligations. The terms of Article X of the Loan Agreement are incorporated herein by reference as if fully set forth herein.

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## Article VI - SPECIAL LOCAL PROVISIONS

Section 6.1 *Principles of Construction.* In the event of any inconsistencies between the terms and conditions of this Article VI and the terms and conditions of this Mortgage, the terms and conditions of this Article VI shall control and be binding.

Section 6.2 *Illinois Mortgage Foreclosure Law.* The provisions of this Section 6.2 are an integral part of this Mortgage and in the event of any inconsistencies between the terms and conditions of any other section or provision of this Mortgage and this Section 6.2, the terms and conditions of this Section 6.2 shall control. Borrower and Lender intend that the enforcement of the terms and provisions of this Mortgage shall be accomplished in accordance with the Illinois Mortgage Foreclosure Law (the "**Act**"), 735 ILCS 5/15-1101 et seq., and with respect to such Act, Borrower agrees and covenants that:

- (a) In the event any provision in this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision(s) of this Mortgage that can be construed in a manner consistent with the Act;
- (b) If any provision of this Mortgage shall grant to Lender any rights or remedies upon the occurrence and during the continuation of an Event of Default of Borrower which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of said provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law;
- (c) Borrower and Lender shall have the benefit of all of the provisions of the Act, including all amendments thereto which may become effective from time to time after the date hereof. In the event any provision of the Act which is specifically referred to herein may be repealed, Lender shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference;
- (d) Wherever provision is made in this Mortgage for insurance policies to bear Lender clauses or other loss payable clauses or endorsements in favor of Lender, or to confer authority upon to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds, from and after the entry of judgment of foreclosure, all such rights and powers of the Lender shall continue in the Lender as judgment creditor or Lender until confirmation of sale;
- (e) In addition to any provision of this Mortgage authorizing the Lender to take or be placed in possession of the Premises, or for the appointment of a receiver, Lender shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Act, to be placed in the possession of the Premises or at its request to have a receiver appointed, and such receiver, or Lender, if and when placed in possession, shall have, in

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addition to any other powers provided in this Mortgage, all rights, powers, immunities, and duties as provided for in Sections 15-1701 and 15-1703 of the Act;

(f) Borrower acknowledges that the Premises does not constitute agricultural real estate, as said term is defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act;

(g) Borrower hereby voluntarily and knowingly waives its statutory rights to reinstatement and redemption pursuant to 735 ILCS Section 5/15-1601(b);

(h) All advances, disbursements and expenditures made or incurred by 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 the Mortgage or by the Act (collectively "**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 Lender in accordance with the terms of the Mortgage to: (1) preserve, maintain, repair, restore or rebuild the improvements upon the Premises; (2) preserve the lien of the Mortgage or the priority thereof; or (3) enforce the Mortgage, as referred to in Subsection (b)(5) of Section 5/15-1302 of the Act;

(ii) payments by Lender of (1) principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrances; (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 Premises or any part thereof; (3) other obligations authorized by the Mortgage; 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 5/15-1505 of the Act;

(iii) advances by Lender in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(iv) reasonable attorneys' fees and other costs incurred: (1) in connection with the foreclosure of the Mortgage as referred to in Section 5/15-1504(d)(2) and 5/15-1510 of the Act; (2) in connection with any action, suit or proceeding brought by or against the Lender for the enforcement of the Mortgage or arising from the interest of the Lender hereunder; or (3) in preparation for or in connection with the commencement, prosecution or defense of any other action related to the Mortgage or the Premises;



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(v) Lender's fees and costs, including reasonable attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearings as referred to in Section 5/15-1508(b)(1) of the Act;

(vi) advances of any amount required to make up a deficiency in deposits for installments of taxes and assessments and insurance premiums as may be authorized by this Mortgage;

(vii) expenses deductible from proceeds of sale as referred to in Section 5/15-1512(a) and (b) of the Act;

(viii) expenses incurred and expenditures made by Lender for any one or more of the following: (1) if the Premises or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof; (2) if Borrower's interest in the Premises 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; (3) premiums for casualty and liability insurance paid by Lender whether or not 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 Lender takes possession of the Premises imposed by Section 5/15-1704(c)(1) of the Act; (4) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (5) payments deemed by Lender to be required for the benefit of the Premises or required to be made by the owner of the Premises under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit or of affecting the Premises; (6) shared or common expense assessments payable to any association or corporation in which the owner of the Premises is a member in any way affecting the Premises; (7) if the Loan secured hereby is a construction loan, costs incurred by Lender for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment, loan agreement or other agreement; and (8) payments required to be paid by Borrower or Lender pursuant to any lease or other agreement for occupancy of the Premises;

(ix) All Protective Advances shall be so much additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the rate of interest payable after default under the terms of the Note; and

(x) This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Subsection (b)(5) of Section 5/15-1302 of the Act.

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(xi) 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 the:

(A) determination of the amount of Indebtedness at any time;

(B) indebtedness found due and owing to 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 of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(C) determination of amounts deductible from sale proceeds pursuant to Section 5/15-1512 of the Act;

(D) application of income in the hands of any receiver or mortgagee in possession; and

(E) computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Section 5/15-1508 and Section 5/15-1511 of the Act.

Section 6.3 Borrower Waivers. Borrower agrees, to the fullest extent that Borrower may lawfully so agree, that Borrower will not at any time insist upon or plead or in any manner whatsoever claim the benefit of any valuation, stay, extension or exemption law now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Premises or the possession thereof by any purchaser at any sale made pursuant to any provision hereof, or pursuant to the decree of any court of competent jurisdiction; but Borrower, for Borrower and all who may claim through or under Borrower, so far as Borrower or those claiming through or under Borrower now or hereafter lawfully may, hereby waives the benefit of all such laws. Borrower, to the extent Borrower may lawfully do so, hereby waives any and all right to have the Premises marshaled upon any foreclosure of this Mortgage, or sold in inverse order of alienation, and agrees that Lender or any court having jurisdiction to foreclose this Mortgage may sell the Premises as an entirety. If any law now or hereafter in force referred to in this paragraph of which Borrower or Borrower's successor or successors might take advantage despite the provisions hereof, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the operation or application of the provisions of this paragraph.

Section 6.4 Note. The Note provides, among other things, for final payment of principal and interest under the Note, if not sooner paid or payable as provided therein, to be due no later than the Maturity Date, and for an applicable interest rate of the Regular Interest Rate, which Note is by this reference thereto being incorporated herein.

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Section 6.5 Maximum Amount Secured. This Mortgage secures payment of such additional sums with interest thereon which may hereafter be loaned to Borrower by Lender or advanced under the any of the Loan Documents securing or evidencing the Loan, even though the aggregate amount outstanding at any time may exceed the original principal balance stated herein and in the Note (provided, however, that the indebtedness secured hereby shall in no event exceed an amount equal to \$15,400,000.00).

Section 6.6 Collateral Protection Act. Pursuant to the terms of the Collateral Protection Act (815 ILCS 180/1 et seq.), Borrower is hereby notified that:

"UNLESS BORROWER PROVIDES LENDER WITH EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY THIS MORTGAGE, LENDER MAY PURCHASE INSURANCE AT LENDER'S EXPENSE TO PROTECT LENDER'S INTERESTS IN THE PREMISES, WHICH INSURANCE MAY, BUT NEED NOT, PROTECT THE INTERESTS OF BORROWER. THE COVERAGE PURCHASED BY LENDER MAY NOT PAY ANY CLAIM MADE BY BORROWER OR ANY CLAIM MADE AGAINST BORROWER IN CONNECTION WITH THE PREMISES. BORROWER MAY LATER CANCEL ANY INSURANCE PURCHASED BY LENDER, BUT ONLY AFTER PROVIDING LENDER WITH EVIDENCE THAT BORROWER HAS OBTAINED THE INSURANCE AS REQUIRED HEREUNDER. IF LENDER PURCHASES INSURANCE, THE BORROWER WILL BE RESPONSIBLE FOR THE COSTS OF SUCH INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES IMPOSED 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 OBLIGATION SECURED HEREBY. THE COSTS OF SUCH INSURANCE MAY BE GREATER THAN THE COST OF INSURANCE BORROWER MAY BE ABLE TO OBTAIN FOR ITSELF."

Section 6.7 Fixture Filing. This Mortgage shall also constitute a "fixture filing" for the purposes of the UCC against all of the Premises which is or is to become fixtures. Information concerning the security interest herein granted may be obtained at the addresses of Debtor (Borrower) and Secured Party (Lender) as set forth in the first paragraph of this Mortgage.

Section 6.8 Loan Made for Business Purposes. Borrower acknowledges and agrees that the proceeds of the Indebtedness secured hereby and referred to herein shall be used solely for business purposes and in furtherance of the regular business affairs of Borrower, and the entire principal obligation secured by this Mortgage constitutes (i) a "business loan" as that term is defined in, and for all purposes of, 815 ILCS 205/4(1)(c), and (ii) a "loan secured by a mortgage on real estate" within the purview and operation of 815 ILCS 205/4(1).

(Signatures on next page)



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## EXHIBIT A

### LEGAL DESCRIPTION

Loan No. 758101

Parcel 1:

Lots 19 and 20 in the Subdivision of Lot 1 in the Resubdivision of Block 2 in Hambleton, Weston and Davi's Subdivision of the South 1/2 of the Southeast 1/4 of the Southeast 1/4 of Section 20, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

Lots 21 and 22 in M. L. Schudders Jr Subdivision of Lot 1 in Resubdivision of Block 2 in Hambleton, Weston and Davis Subdivision of the South 1/2 of the Southeast 1/4 of the Southeast 1/4 of Section 20, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

FOR INFORMATION ONLY:

PIN numbers:

14-20-426-016-0000

14-20-426-017-0000

Common Address:

918-924 West Belmont Avenue, Chicago, Illinois 60657