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## Illinois Anti-Predatory Lending Database Program

### Certificate of Exemption



Report Mortgage Fraud  
844-768-1713



\*1806704176\*

Doc# 1806704176 Fee \$120.00

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

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 03/08/2018 02:04 PM PG: 1 OF 42

The property identified as: **PIN:** 10-36-114-014-0000

**Address:**

**Street:** 2954 West Farwell Avenue

**Street line 2:**

**City:** Chicago

**State:** IL

**FIRST AMERICAN TITLE**  
**FILE #** 2908498

**ZIP Code:** 60645

**Lender:** EGR East, LLC

**Borrower:** Alan Steinhardt and Sharona Steinhardt

**Loan / Mortgage Amount:** \$2,500,000.00

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.

S Y  
P 42  
S N  
SC X  
INT AB

**Certificate number:** 4B947522-78C0-4DA7-9EB3-A7B031A215E0

**Execution date:** 2/27/2018

**UNOFFICIAL COPY****THIS INSTRUMENT PREPARED BY  
AND RETURN TO:**

Paul Elis  
 Dept. 18-1216-EGR  
 P.O. Box 8523,  
 Calabasas, CA 91302-8523

Parcel ID: 10-36-014-014-0000

Space above this line for Recorder's use only

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

THIS GUARANTOR MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES RENTS AND PROFITS ("Mortgage") is made this 27<sup>th</sup> day of February, 2018, between **ALAN STEINHARDT and SHARONA STEINHARDT**, whose address is 2954 W. Farwell Avenue, Chicago, Illinois 60645 ("Guarantor"), and those lenders set forth on **Schedule "A" attached hereto**, whose address is P.O. Box 8523, Calabasas, CA 91302-8523 ("Lender").

**WITNESSETH:**

WHEREAS, Guarantor has agreed to guaranty that certain note executed of even date herewith in the principal sum of TWO MILLION FIVE HUNDRED THOUSAND AND No/100 DOLLARS (\$2,500,000.00) lawful money of the United States of America ("Note"), advanced or to be advanced by Lender to EGR East, LLC, a Florida limited liability company ("Borrower"), who is indebted to Lender according to the terms and conditions of the Note and which has a maturity date of February 27, 2035.

NOW, THEREFORE, in consideration of said indebtedness and to secure the obligations set forth in the Guaranty and payment to Lender of the Note, including all interest earned thereon, as well as all other sums provided for in the Note, the Loan Documents or other amounts set forth herein, and to secure performance by Borrower of the covenants and agreements hereinafter expressed and in the Loan Documents, Guarantor does hereby covenant and agree that it shall grant, bargain, sell, alien, remise, release, convey and confirm unto Lender, its successors and assigns, in fee simple, all of the real property together with buildings and improvements thereon,

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erected or to be erected (the "Land"), more particularly described in Exhibit "A" attached hereto and made a part hereof;

## TOGETHER WITH:

(i) all leasehold estates, and all right, title and interest of Guarantor in and to all leases or subleases covering the Land or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Guarantor there under including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

(ii) all right, title and interest of Guarantor in and to all options to purchase or lease the Land or any portion thereof or interest therein, and any greater estate in the Land owned or hereafter acquired;

(iii) all easements, streets, ways, alleys, rights-of-way and rights used in connection therewith or as a means of access thereto and any rights to any vacated street, way, alleys, rights-of-way abutting the said Land, licenses, uses, and privileges of whatsoever kind or character, the reversions, remainders, mineral, water, aquifer and air rights, and all tenements, hereditaments and appurtenances thereof and thereto and all water rights, and water stock appurtenant to the Land, littoral rights and riparian rights;

(iv) any and all buildings, structures and improvements now or hereafter erected thereon, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery and other articles attached to said buildings, structures and improvements (sometimes hereinafter referred to as the "Improvements");

(v) all fixtures, appliances, machinery, equipment, furniture, furnishings and articles of personal property now or hereafter affixed to, placed upon or used in connection with the operation of any of said properties (even if located off the Land); all gas, steam, electric, water and other heating, cooking, refrigerating, lighting, plumbing, ventilating irrigating and power systems, machines, appliances, fixtures, and appurtenances which are now or may hereafter pertain to or be used with, in or on the Land, even though they may be detached or detachable; all building improvement and construction materials, supplies and equipment hereafter delivered to the Land contemplating installation or use in the constructions thereon; all rights and interest of Guarantor in building permits and architectural plans and specifications, permits, licenses, fees, vested interests in zoning, land use, or density, relating to contemplated construction, development or improvements on the Land; and all rights and interest of Guarantor in present or future mortgage loan commitments pertaining to any of the Land; or improvements thereon (sometimes hereinafter referred to as the "Personal Property");

(vi) all awards and proceeds of condemnation for the Land or any part thereof to which Guarantor is entitled, for any taking of all or any part of the Land by condemnation or exercise of the right of eminent domain. All such awards and condemnation proceeds are hereby assigned to Lender and Lender is hereby authorized, subject to the provisions contained in this

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Mortgage, to apply such awards and condemnation proceeds or any part thereof, after deducting therefrom any expenses incurred by the Lender in the collection or handling thereof, toward the payment, in full or in part, of the Note, notwithstanding the fact that the amount owing thereon may not then be due and payable;

(vii) all rents, issues and profits of the Land and all the estate, right, title and interest of every nature whatsoever of the Guarantor in and to the same;

(viii) all accounts (including contract rights) and general intangibles pertaining to or arising from or in connection with all or any part of the Land including, without limitation, all proceeds and choses in action arising under any insurance policies maintained with respect to all or any part of the Land;

(ix) all proceeds, products, replacements, additions, substitutions, renewals and accessions of any of the foregoing items; and

(x) all of the foregoing even if such rights or interest are not upon the Land but are nevertheless beneficial to the Land and off the Land.

All of the foregoing and the Land, Improvements, Personal Property, and all rights, privileges and franchises recited herein are collectively referred to as the "Premises".

TO HAVE AND TO HOLD the Premises unto the Lender in fee simple forever.

AND Guarantor covenants and agrees with Lender as follows:

## 1. WARRANTY OF TITLE

A. Guarantor hereby covenants and warrants that it is the owner in fee simple of the Land and is indefeasibly seized with the absolute fee simple title to the Land and has full power and lawful authority to sell, convey, transfer and mortgage the same; that it shall be lawful for Guarantor at all times peaceably and quietly to enter upon, hold, occupy, and enjoy the Land and every part thereof; that the Land is free from all liens and encumbrances and claims of any kind, including taxes and assessments except those shown on Exhibit "B" attached hereto and made a part hereof ("Permitted Exceptions"). Guarantor hereby fully warrants unto Lender the title to the Premises and will defend the same against the claims of all persons whomsoever.

B. Guarantor will, on request of Lender, do any of the following: (i) promptly correct any defect, error or omission which may be discovered in the contents of this Mortgage or in any other instrument executed in connection herewith or in the execution or acknowledgment thereof; (ii) execute, acknowledge, deliver and record and/or file such further instruments (including, without limitation, further Mortgages, Security Agreements, Financing Statements, Continuation Statements and Assignments of Rents or Leases) and do such other acts as may be necessary, desirable or proper to carry out more effectively the purposes of this Mortgage and such other instruments, and to subject to the liens and security interest hereof and thereof any property

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intended by the terms hereof and thereof to be covered hereby and thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements or appurtenances to said property; and (iii) execute, acknowledge, deliver, procure and file and/or record any document or instrument (including specifically any financing statement) deemed advisable by the Lender to protect the lien of the security interest hereunder against the rights or interest of third persons, and Guarantor will pay all costs connected with any of the foregoing.

C. (1) Guarantor forthwith, upon the execution and delivery of this Mortgage and thereafter from time to time, will cause this Mortgage and any security agreement creating a lien or evidencing the lien hereof upon the Personal Property or any part or portion of the Premises and each instrument of further assurance, to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect the lien and interest of Lender upon, on and to the Premises.

(2) Guarantor shall pay all filing, registration or recording fees, and all other expenses incident to the execution and acknowledgment of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Personal Property, or any part or portion of the Premises, and any instrument of further assurance, and all federal, state, county and municipal stamp taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Note, this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Personal Property or any part or portion of the Premises or any instrument of further assurance.

## **2. PAYMENT OF SUMS SECURED**

This Mortgage is given to secure the faithful payment and performance of the Note, including payment of both principal and interest and such other indebtedness evidenced thereby, together with the covenants and agreements herein contained. Guarantor hereby covenants and agrees to timely pay all sums of principal and interest upon the Note and to perform every other covenant and agreement of the Loan Documents secured hereby. In addition, this Mortgage is intended to be and is a mortgage to secure the payment of such future or additional advances as may be made by Lender at its option to Borrower, or its successors in title, for any purpose, provided that all those advances are to be made within twenty (20) years from the date of this Mortgage or within such lesser period of time as may be provided hereafter by law as a prerequisite for the sufficiency of actual notice or record notice of the optional future or additional advances as against the rights of creditors or subsequent purchasers for valuable consideration. The total amount of indebtedness secured by this Mortgage may decrease or increase from time to time, but the total unpaid balance so secured at any one time shall not exceed twice the principal amount of the Note, plus interest that may have accrued thereon, together with any disbursements made for the payment of taxes, levies or insurance on the Premises covered by the lien of this Mortgage, including interest on all such disbursements. Nothing herein contained shall be deemed an obligation on the part of the Lender to make any future advances. It is the intent of the parties hereto that this Mortgage be in compliance with the terms and conditions of 205 ILCS 5/5d.

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### **3. CONDITIONS OF IMPROVEMENTS; PAYMENT OF INDEBTEDNESS**

Guarantor shall: (a) promptly repair, restore or rebuild any improvements now existing or hereafter erected on the Premises which may become damaged or be destroyed; (b) keep the Premises in good condition and repair, without waste, and free from mechanic's liens or claims for liens not expressly subordinated to the liens other than Permitted Exceptions; (c) not do or permit waste thereon or to suffer anything to be done which would impair or depreciate the value of the Premises; (d) pay when due any indebtedness which may be secured by a lien or charge on the Premises superior to the lien hereof; (e) complete within a reasonable time any Improvements now or at any time in process of erection upon the Premises; (f) comply with all requirements of law, county or municipal ordinances, all governmental authorities, including federal, state or local, or restrictions of record with respect to the Premises and the use thereof; (g) suffer or permit no change in the general nature of the use of the Premises, without Lender's written consent; and (h) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of the Note.

### **4. COMPLIANCE WITH GOVERNMENTAL AUTHORITIES**

Guarantor covenants and agrees to comply with any municipal or governmental ordinance and/or governmental regulation affecting the Premises within thirty (30) days after notice thereof or within thirty (30) days after notice of any change in any existing municipal or governmental ordinance and/or regulation; provided, however, that if Guarantor shall, in good faith and by proper legal action, contest any such ordinance or regulation as it affects the Premises, or the validity thereof, then Guarantor shall not be required to comply therewith so long as such contest operates to prevent enforcement and is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Guarantor.

### **5. TAXES AND ASSESSMENTS**

Guarantor shall pay all real estate taxes, special assessments, water and sewer charges, other claims and liens assessed or which may be assessed against the Premises or any part thereof, without deduction, deficiency or abatement, not later than ten (10) days before the dates on which such taxes, water and sewer rents, claims and liens commence to bear interest or penalties and, not later than such dates, shall produce to Lender, at Lender's request, receipts for the payment thereof in full and shall pay every other tax, assessment, claim, lien or encumbrance which may at any time be or become a lien upon the Premises prior to the lien of this Mortgage; provided, however, that if Guarantor shall in good faith, and by proper legal action, contest any such taxes, claims, liens, encumbrances or other charges or the validity thereof, and shall have established on its books, or by deposit of cash with Lender (as Lender may elect), or by deposit of cash or bond with an appropriate governmental authority, a reserve for the payment thereof in such amount as Lender may require, then Guarantor shall not be required to pay the same, or to produce such receipts, during the maintenance of said reserve and for as long as such contest operates to prevent collection and is being pursued and prosecuted with diligence and shall not have been terminated or discontinued adversely to Guarantor.

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## 6. INSURANCE

Guarantor to keep the Improvements which are now or which hereafter may be erected on the mortgaged property, including any Personal Property, fixtures, and all parts and portions of the Premises described above, constantly insured against loss by fire with extended coverage in a sum not less than full insurable value so as to avoid any claim on the part of the insurers for co-insurance, and in addition shall keep in full force and effect policies of insurance insuring against such other hazards, casualties, and contingencies as Lender may reasonably require including, but not limited to, Flood Insurance "All Risk" or "Fire extended coverage - difference in conditions", general public liability coverage, "Builder's Risk" Insurance and such other insurances as Lender deems necessary for minimum protection of its security.

All insurance required by Lender hereunder shall be on such forms, for such periods, and in such amounts as Lender may require with loss payable to the Lender under the New York Standard Lender Clause. Guarantor shall deliver the policy or policies to the Lender as additional security, and where renewal policies are necessary in the performance of this covenant, to deliver them at least thirty (30) days before the expiration of the existing insurance. Upon any default hereof, the Lender may (but without obligation on its part to do so), place insurance of not less than full insurable value upon the date of payment and pay the premium and charge such sums to the Guarantor, and such sums or money so paid shall bear interest at the highest rate permitted by law, all of which shall be secured by this Mortgage.

In case of loss, and in the event Guarantor unreasonably fails or refuses to settle and adjust any claim, then Lender is hereby authorized either (a) to settle and adjust any claim under such insurance policies without consent of Guarantor or (b) to allow Guarantor to agree with the insurance company or companies on the amount to be paid upon the loss. In either case, Lender is authorized to and shall collect and receive any such insurance money. In the event the insurance proceeds alone or the insurance proceeds together with the separate funds of the Guarantor, deposited with the Lender, are in the sole and absolute discretion of the Lender, adequate to reconstruct or repair after casualty, and such reconstruction and repair, the time required and all other considerations impacting reconstruction and repair do not, in the sole discretion of the Lender, impair the payment of the loan or the risk of the loan and if the loan is not otherwise in default, then the insurance proceeds and such other funds of the Guarantor, as the case may be, shall be deposited with the Lender and used to reconstruct or repair in accordance with payments, contracts, plans and specifications acceptable to the Lender. The Premises shall be so restored or rebuilt as to be of at least equal value and substantially the same character as prior to such damage or destruction. Such policies of insurance and all renewals thereof are hereby assigned to Lender as additional security for the payment of the indebtedness hereby secured and the Guarantor hereby agrees that any cash values available thereunder upon cancellation or return of premiums or otherwise, shall be payable to Lender, as assignee thereof.

In the event the insurance proceeds alone or insurance proceeds together with the separate funds of the Guarantor are insufficient to reconstruct or repair, the said proceeds shall be applied in reduction of the principal balance of the Note, or any other sum secured hereby, whether due

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or not. Such payments and reductions shall not cause a delay or postponement of the next installment due but shall be applied in inverse order as required by the Note.

In case of loss after foreclosure proceedings have been instituted, the proceeds of any such insurance policy or policies, if not applied as aforesaid in rebuilding or restoring the Premises, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid to the owner of the equity of redemption if such owner shall then be entitled to same or as the court may otherwise direct. In the event of foreclosure sale, Lender is hereby authorized, without the consent of Guarantor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Lender may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

The following notice is provided pursuant to 815 ILCS 180/10:

As used herein, "you" means Guarantor and "we" means Lender: Unless you provide evidence of the insurance coverage required by your agreement with us, we may purchase insurance at your expense to protect our interests in the Premises. This insurance may, but need not, protect your interests. The coverage that we purchase may not pay any claim that you make or any claim that is made against you in connection with the Premises. You may later cancel any insurance purchased by us, but only after providing evidence that you have obtained insurance as required by this Mortgage. If we purchase insurance for the Premises, you will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges we may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the indebtedness secured hereby. The costs of the insurance may be more than the cost of insurance you may be able to obtain on your own.

## 7. ADDITIONAL TAXES

Guarantor shall pay to the Lender, when due and payable, the amount of all taxes, including assessments, public dues or charges levied or to be levied by law within the State where the Land is located on this Mortgage or on Lender by reason of the ownership of this Mortgage or the Note or on account of interest derived therefrom (with the exception of federal and state income taxes), if and to the extent such amounts were not paid to Lender by Borrower pursuant to the Note or otherwise; but if the amount of such taxes, assessments, public dues or charges mentioned in this paragraph, shall exceed the maximum amount permitted by law to be paid for the use of money in the State where the Land is located, then the Guarantor shall not be required to pay any such excess; provided, however, that if the aggregate in any one year of such interest and such taxes assessed against the Mortgage shall exceed such maximum amount permitted by law to be paid for the use of money in Illinois, Lender may, at its option, declare the entire indebtedness secured hereby due and payable upon ninety (90) days' notice. If such option is exercised and notice given, then upon the expiration of such ninety (90) days' written notice, the entire indebtedness secured hereby shall be due and payable, and non-payment thereof shall

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constitute a default under this Mortgage, entitling the Lender to the exercise of all rights arising from any other event constituting a default hereunder.

Upon the passage by the State where the Land is located or any other governmental entity or body of any law imposing upon Lender an obligation to pay all or any portion of any taxes, assessments or other charges assessed against this Mortgage or the Note, or upon the rendering by any court of competent jurisdiction of a decision that an undertaking by the Guarantor, as herein provided, to pay any such taxes, assessments or other charges is legally inoperative, then and in any such event, the debt hereby secured without deduction, shall, at the option of Lender, become immediately due and payable notwithstanding anything contained in this Mortgage or in any law heretofore or hereafter enacted.

## **8. ESCROW FUNDS**

Without limiting the effect of Paragraphs 5 and 6 hereof, in the event of a default in this Mortgage or the Note, that has not been cured within the applicable cure periods, Lender may, at its sole and absolute discretion, require Guarantor to pay, in full or in installments, to Lender premiums required for such fire and extended coverage insurance, flood insurance and all other insurances, annual real estate taxes, assessment, claim, lien or encumbrance which may at any time be or become a lien upon the Premises prior to the lien of this Mortgage (with the exception of the extent to which funds are provided in the Mortgage for payment of same), if and to the extent such amounts were not paid to Lender by Borrower pursuant to the Note or otherwise, and on demand from time to time shall pay to Lender, in full or in installments, additional sums necessary to pay such premiums and other payments such that the same shall be paid at their respective due dates, all as estimated by Lender, the amounts so paid to be security for such premiums and other payments and to be used in payment thereof, if and to the extent such amounts were not paid to Lender by Borrower pursuant to Section 7 of the Note or otherwise. If, pursuant to any provision of this Mortgage, the whole amount of said principal debt remaining becomes due and payable, Lender shall have the right at its election to apply any amounts so held against the entire indebtedness secured hereby. Lender covenants that it shall apply such escrowed funds in a timely manner to payment of taxes and insurance premiums required to be paid by the Borrower pursuant to this Mortgage.

## **9. APPLICATION OF UNIFORM COMMERCIAL CODE**

This Mortgage shall be deemed a security agreement and shall constitute a fixture filings statement in accordance with the Uniform Commercial Code and as established by the statutes of the State where the Land is located, pursuant to 810 ILCS 5/9-502(b), *et seq.*, in support of any financing statement which may hereafter be executed and filed with respect to any and all goods, chattels, fixtures and equipment which Guarantor has installed or may install in or use on the Premises, and Guarantor shall execute any financing statements (or renewals thereof) or other security agreements as the Lender shall require from time to time, as may be required in the Uniform Commercial Code, promptly upon request therefor by Lender. In the event of a default in this Mortgage or the Note, Lender may assert any remedy accorded under the Uniform Commercial Code simultaneously with any action brought or any remedy enforced hereunder.

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Such remedies for and violation of the covenants, terms and conditions of the agreements herein contained shall be (i) as prescribed herein, or (ii) by general law, or (iii) as to such part of the security which is also reflected in said financing statement by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code, all at Lender's sole election. Guarantor and Lender agree that the filing of such financing statement in the records normally having to do with personal property shall never be construed as in any wise derogating from or impairing this declaration and hereby stated intention of the parties hereto, that everything used in connection with the production of income from the Premises (furniture only excepted) and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings both legal or equitable shall be regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the Land or improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with the Lender, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) the rights in or the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) the debtor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Premises mortgaged hereby, whether pursuant to lease or otherwise, shall never be construed as in anywise altering any of the rights of Lender as determined by this instrument or impugning the priority of the Lender's lien granted hereby or by any other recorded documents, but such mention in the financing statement is declared to be for the protection of the Lender in the event any court or judge shall at any time hold with respect to (1), (2) and (3) that notice of Lender's priority of interest to be effective against a particular class of persons, including, but not limited to, the Federal government and any subdivisions or entity of the Federal government, must be filed in the Commercial Code Records. Guarantor shall induce Borrower to pay all costs of filing such statements and renewals and releases thereof and shall pay all reasonable costs and expenses, including reasonable attorneys' fees and any record searches for financing statements Lender may reasonably require, incident to the preparation and filing of such financing statements.

## **10. RIGHT TO REMEDY DEFECTS**

If Guarantor fails to pay any tax, claim, lien or encumbrance which shall be, or become, prior in lien to this Mortgage, or to pay an insurance premium as aforesaid, or to keep the Premises in repair, as aforesaid, or commits or permits waste, then Lender, at its option, may pay said claim, lien, encumbrance, tax, assessment or premium, with right of subrogation thereunder, may make such repairs and take such steps as it deems advisable to prevent or cure such waste, and may appear in any action or proceeding with respect to any of the foregoing and retain counsel therein, and take such action therein as Lender deems advisable, and for any of said purposes Lender may advance such sums of money as it deems necessary. Guarantor will pay to Lender, immediately and without demand, all sums of money advanced by Lender, including reasonable attorneys' fees, together with interest on each such advance at the default rate set forth in the Note, but which shall not, in any event, be higher than the maximum interest rate permitted by the laws of the State of Florida.

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## **11. COSTS OF COLLECTION**

Guarantor shall pay to Lender, upon demand, all costs and expenses, including without limitation the costs and expenses of securing title insurance binders and policies, certified title report updates, abstracts or supplemental abstracts of title, as well as all other costs, including reasonable attorneys' fees, incurred during the course of condemnation proceedings, foreclosure proceedings, bankruptcy proceedings, and all proceedings related to the enforcement or interpretation of the terms and provisions of the Note, or this Mortgage, or of any of the other Loan Documents of any nature whatsoever affecting the Premises or which may have heretofore been made a part of the aforementioned documents, if and to the extent such amounts were not paid to Lender by Borrower pursuant to the Note or otherwise; it being further provided that the Guarantor shall pay to the Lender all costs and expenses, including reasonable attorneys' fees, incurred in any proceeding relating to the title on the Premises, or to the priority of this Mortgage or by reason of the failure on the part of the Guarantor to keep and perform any and all of the covenants and agreements contained herein, any Loan Documents or in the Note, if and to the extent such amounts were not paid to Lender by Borrower pursuant to the Note or otherwise. Costs, expenses and reasonable attorneys' fees shall include, but not be limited to, legal assistant charges, copies, travel expenditures, professional witness fees and expenses, at trial and appellate level, and in any proceeding in bankruptcy or reorganization and in any administrative proceeding, including arbitration, mediation or the like by the Lender to collect the sums due or enforce the terms of the Note, Mortgage or Loan Documents whether or not suit be brought. All such costs, expenses and attorneys' fees paid by the Lender shall bear interest from the date of payment thereof at the default rate set forth in the Note (but in no event higher than the maximum interest rate allowed by the laws of the State of Illinois) until repaid by the Guarantor or Borrower and shall, with such interest, be a part of the debt secured by this Mortgage.

## **12. EVENTS OF DEFAULT AND REMEDIES**

Each of the following shall constitute events of default hereunder:

A. If Guarantor shall file a petition in voluntary bankruptcy or under any bankruptcy act or similar law, state or federal, whether now or hereafter existing, or an answer admitting insolvency or inability to pay its debts, or fail to obtain a vacation, discharge, dismissal or stay of involuntary proceedings within thirty (30) days, as hereinafter provided;

B. If Guarantor shall be adjudicated as a bankrupt, or a trustee or a receiver shall be appointed for Guarantor or for all of its property or the major part thereof in any involuntary proceedings, or any court shall have taken jurisdiction of all or any part of the property of Guarantor in any involuntary proceedings for the reorganization, dissolution or liquidation of Guarantor, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within thirty (30) days;

C. If Guarantor shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all of its property or the major part thereof;

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D. If default shall be made in the due observance or performance of any non-monetary covenants, agreements or conditions heretofore or hereafter contained, required to be kept or performed or observed by Guarantor in this Mortgage, the Note, the Loan Documents, or any other instrument executed concurrently with or in connection with this Mortgage, and the same shall not be cured within thirty (30) days or the applicable cure period set forth in such documents (whichever is later) following delivery of written notice thereof (provided however, that if such non-monetary default cannot reasonably be cured within thirty (30) days, Guarantor shall have a reasonable period of time to cure provided such cure is commenced within such thirty (30) days and diligently pursued to completion);

E. If default shall be made (i) in the payment of any interest on the Note or in the payment of any installment of principal, or either of them, within 10 days after the same shall become due and payable; or (ii) in any other payment of the principal of the Note, within 10 days after the same shall become due and payable, whether at maturity or by acceleration or as part of any prepayment or otherwise, in each case, as in the Note and Mortgage provided; or (iii) in the payment of any tax required by Paragraph 5 to be paid that (subject to Guarantor's right to contest, as provided herein) remains unpaid ten (10) days after Borrower or Guarantor receives written notice and opportunity to cure; or (iv) in the due observance or performance of any other monetary covenant that (subject to Guarantor's right to contest, as provided herein) remains unpaid ten (10) days after Borrower or Guarantor receives written notice and opportunity to cure;

F. Except as herein permitted, the actual or threatened alteration, demolition or removal of any Improvements on the Land without written consent of the Lender.

G. A default under any of the terms or conditions of the Loan Agreement which terms and conditions are herein incorporated by reference.

Through the occurrence of any such event of default as set forth in A through H of this Paragraph, the entire unpaid balance of the principal, any accrued interest thereon, and all other sums secured by this Mortgage, shall become immediately due and payable as set forth in the Note and without further demand, and, in any such event of default, the Lender may forthwith:

(1) Foreclose. When the Note or any indebtedness secured hereby, or any part thereof, shall become due, whether by acceleration or otherwise, Lender, at its sole option and pursuant to applicable law, shall have the right to foreclose the lien hereof for such indebtedness or part thereof and pursue all remedies afforded to a mortgagee under and pursuant to the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 *et seq.*, as amended from time to time (the "Act").

All advances, disbursements and expenditures made or incurred by Lender before and during a foreclosure of the Land, 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 Mortgage or by the Act (collectively "Protective Advances"), shall have the benefit of all

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applicable provisions of the Act, including, without limitation, those provisions of the Act herein below referred to:

(i) all advances by Lender in accordance with the terms of this Mortgage or the other Loan Documents to: (1) preserve, maintain, repair, restore or rebuild the improvements upon the Premises; (2) preserve the lien of this Mortgage or the priority thereof; or (3) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 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 encumbrance (provided that nothing in this Section shall be construed as authorizing the existence 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 Premises or any part thereof; (3) other obligations authorized by this 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 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 (provided that nothing in this Section shall be construed as authorizing the existence of any senior mortgage or other prior lien, other than the Permitted Exceptions);

(iv) reasonable attorneys' fees and other costs incurred: (1) in connection with the foreclosure of this Mortgage as referred to in Sections 15-1504(d) 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 Mortgage or arising from the interest of Lender hereunder; or (3) in preparation for or in connection with the commencement, prosecution or defense of any other action related to this Mortgage or the Premises;

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

(vi) expenses deductible from proceeds of sales referred to in Section 15-1512(a) and (b) of the Act; and

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(vii) expenses incurred and expenditures made by Lender for any one or more of the following: (1) 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 mortgagee takes possession of the Premises imposed by Section 15-1704(c)(1) of the Act; (2) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (3) 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 of or affecting the Premises; and (4) 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.

All Protective Advances shall be so much additional indebtedness, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the Default Rate. 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 15-1302 of the Act.

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:

(i) any determination of the amount of the Obligations (as defined below) at any time;

(ii) the Obligations 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;

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

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

(v) computation of any deficiency judgment pursuant to Sections 15-1508(b)(2), 15-1508(e) and 15-1511 of the Act.

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(2) Appoint a Receiver. At, or any time after, the filing of a complaint to foreclose the Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Guarantor at the time of application for such receiver and without regard to the then value of the Premises, and Lender may be appointed receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and during any statutory period of redemption, and all other powers which may be necessary for the protection, possession, control, management and operation of the Premises during said period. The court from time to time may authorize the receiver to apply the net income in its hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any decree foreclosing the Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale, or (b) the deficiency in case of a sale and deficiency. The Lender's right to a receiver shall be absolute. In addition, Lender shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Act, to be placed in 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 addition to any other powers provided in this Mortgage, all rights, powers, immunities and duties as provided for in Sections 15-1701 and 15-1704 of the Act.

(3) Apply the Proceeds. The proceeds of any foreclosure sale or condemnation of or insurance payments relating to or any rents, accounts receivable, income or profits on, the Premises shall be distributed and applied in accordance with Section 15-1512 of the Act by the Lender in the following order of priority: first, on account of all costs and expenses incident to the foregoing proceedings, including all such items as are mentioned in Paragraph (1) above; second, all other items which, under the terms hereof, constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note; and fourth, any surplus to the Guarantor or as directed by the Court.

### 13. ASSIGNMENT OF RENTS, ETC.

To further secure the indebtedness secured hereby, Guarantor does hereby sell, assign and transfer unto Lender all the rents, issues, income, accounts receivable and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal, or any letting of, or profits or proceeds from the operation of the Premises as a result of any business conducted thereon, or of any agreement for the sale, use or occupancy of the Premises or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by Lender under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all of such leases, rents, profits and agreements, and all the avails thereunder unto Lender, and Guarantor hereby appoints Lender its true and lawful attorney in its name and stead, with or without suit, to collect such rents and proceeds as are herein transferred to the Lender and to rent, lease or let all or any portion of the Premises to any party or parties at such rental and upon such terms as Lender shall, in its

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discretion, determine, and to collect all of such rents, issues and profits, proceeds, incomes, accounts receivable arising from or accruing at any time hereafter under each lease or other tenancy, use or agreement existing, or which may hereafter exist, on the Premises. The Lender in collecting such proceeds shall apply the same, less expenses of collection, to the said indebtedness, other secured items and repairs, in such manner as the Lender may elect; provided, however, that until there be a default under the term of this Mortgage (which is not cured within the applicable curative period prescribed herein), Guarantor may continue to collect and enjoy said rents, issues, profits, income and accounts receivable giving only an annual accounting to the Note holder for the same. The curing of any default within the period permitted by this Mortgage shall entitle the Guarantor to again collect said rents, issues, profits, income and accounts receivable.

Guarantor shall assign and transfer to Lender all leases upon all or any part of the Premises and shall execute and deliver all such further assurances and assignments as Lender shall from time to time require.

This assignment of rents, issues, profits, income, and accounts receivable and the granting of the power of attorney shall be irrevocable and shall be in addition to the other remedies herein provided for in event of default and may be put into effect independently of or concurrently with any of said remedies, but no liability shall attach to the Lender for failure or inability to collect any rents, issues, profits, income and accounts receivable herein assigned. Assignment, lien, and power of attorney shall apply to all rents, issues, profits, income, accounts receivable choses in action and the proceeds of same hereafter accruing from present contracts for deed, purchase agreements, option agreements or leases and rentals of the Premises and from all contracts for deed or purchase agreements, option agreements or leases and rentals and any business activity hereafter made or conducted by the present or any future owners of the Premises, and any persons entering into contracts for purchase or sale of the Premises shall take subject to all the provisions and conditions hereof.

Lender shall not exercise any of the rights or powers conferred upon it by this paragraph until an event of default shall exist hereunder and not be timely cured.

## **14. RIGHT OF POSSESSION**

When an event of default occurs, which is not timely cured, Guarantor shall surrender to Lender possession of the Premises or any part thereof and Lender may, itself or through its agents, enter upon and do any of the following: (i) take possession of all or any part of the Premises, together with all documents, books, records, papers, and accounts of Guarantor or then owner of the Premises relating thereto and may, as agent of Guarantor or in its own name, operate, manage, and control the Premises and conduct the business, if any, thereof, or any other business deemed appropriate by the Lender either personally or by its agents; (ii) with full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary, to enforce the payment or security of the rents, issues and profits of the Premises; (iii) to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter,

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without notice to Guarantor, and (iv) to cancel any lease or agreement subordinate to the lien hereof and to make all necessary or proper repairs.

Should Lender incur any liability, loss or damage, under any lease hereby assigned or under or by reason of the assignment thereof, or in the defense of any claims or demands, that is not reimbursed to it by or on behalf of Guarantor, then the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and Guarantor shall reimburse Lender therefore immediately upon demand.

## **15. APPLICATION OF INCOME**

After the occurrence or in the event of default, which is not timely cured, Lender shall have full power to use and apply the rents, issues and profits of the Premises to the payment of or on account of the following, in such order as Lender may determine:

- (a) all operating expenses of the Premises, including costs of managing and leasing thereof;
- (b) all taxes, insurance premiums and special assessments now due or which may hereafter become due on the Premises,
- (c) all repairs, alterations, additions and improvements of the Premises; and
- (d) any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.
- (e) for the payment of any or all of the amounts due hereunder or upon the Note or any Loan Document, including but not limited to, principal, interest, costs, expenses, including attorneys fees due to the Lender.

## **16. RIGHT OF INSPECTION**

Lender shall have the right to inspect the Premises at all reasonable times, and access thereto shall be permitted for that purpose.

## **17. CUMULATIVE RIGHTS AND REMEDIES**

The rights and remedies of Lender as provided herein, or in the Note or Loan Documents, shall be cumulative and concurrent, and may be pursued singly, successively or together at the sole discretion of Lender, and may be exercised as often as occasion therefor shall occur, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

## **18. CONDEMNATION**

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Guarantor hereby assigns, transfers and sets over unto Lender the entire proceeds of any award or any claim for damages awarded to Guarantor for any of the Premises taken or damaged under the power of eminent domain or by condemnation.

In the event the condemnation proceeds alone or the condemnation proceeds together with the separate funds of the Guarantor, deposited with the Lender, are, in the sole and absolute discretion of the Lender, adequate to reconstruct or repair after condemnation, and such reconstruction and repair, the time required and all other considerations impacting reconstruction and repair do not, in the sole discretion of the Lender, impair the payment of the loan or the risk of the loan, and if the loan is not otherwise in default, then the condemnation proceeds and such other funds of the Guarantor, as the case may be, shall be deposited with the Lender and used to reconstruct or repair in accordance with payments, contracts, plans and specifications acceptable to the Lender.

In the event the condemnation proceeds alone or condemnation proceeds together with the separate funds of the Guarantor are insufficient to reconstruct or repair, the said proceeds may be applied in reduction of the principal balance of the Note, or any other sum secured hereby, whether due or not. Such payments and reductions shall not cause a delay or postponement of the next installment due but shall be applied in inverse order as required by the Note.

Any surplus remaining from the said award, shall, at the option of the Lender, be applied on account of the indebtedness secured hereby or be paid to any other party entitled thereto. In applying the proceeds of any award on account of the indebtedness secured hereby, Lender shall be entitled to collect out of the proceeds of the award at the same rate as though Guarantor had elected to prepay the indebtedness in accordance with the terms of the Note. Any and all costs and expenses and reasonable attorneys' fees incurred by Lender by reason of any condemnation, threatened condemnation or proceeding thereunder shall be secured hereby and Guarantor shall reimburse Lender therefor immediately upon demand or Lender may, at its option, deduct the same from any award assigned to Lender hereunder.

Guarantor shall notify Lender at once of its receipt of written notice of the commencement of condemnation proceedings of any character affecting the Premises or any part thereof. In the event that the Premises is wholly condemned, Lender shall receive from the Guarantor and/or the proceeds of such condemnation proceedings, the entire indebtedness secured by this Mortgage.

## **19. INVALIDITY**

Nothing contained herein, nor any transaction related hereto, shall be construed or so operate to require the Borrower or Guarantor to pay interest at a rate greater than is lawful in such case to contract for, or to make any payment or to do any act contrary to law. It is understood and agreed that if any clauses or provisions herein contained operate or would prospectively operate to invalidate this Mortgage, in whole or in part, then such clauses and provisions only shall be held for naught, as though not herein contained, and the remainder of this Mortgage shall remain operative and in full force and effect.

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## **20. WAIVER**

Guarantor shall not avail itself of any laws now existing or hereafter enacted in order to prevent or hinder the enforcement or foreclosure of the Mortgage, and to the extent permitted, hereby waives the benefit of such laws. Guarantor waives any and all right to have the Premises marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety.

No delay or omission by the Lender in the exercise of any right or remedy accruing upon any default or in the doing of any of the matters and things by it permitted to be done under the terms and provisions of this Mortgage and the Note shall impair any such right or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature and every such right or remedy may be exercised from time to time and as often as it is deemed expedient by the Lender.

## **21. CHANGE OF OWNERSHIP**

The identity of the Guarantor is of material importance to Lender in extending this mortgage loan. Therefore, if conveyance shall be made by Guarantor of the Premises or any part thereof or any interest therein without the express written consent of the Lender, or if there be a lease or other arrangement, which in the sole discretion of the Lender has the effect of a conveyance, transfer or relinquishment of the benefits of ownership of the Premises, or if there is any change in the principals or the control of the Guarantor or in the ownership of the interest (stock, shares, partnership shares, beneficial interests, memberships, etc.) of the Guarantor, or if the Premises are further encumbered without the prior written consent of Lender, then and upon the occurrence of any such event, the whole amount, including principal, interest and all other amounts hereby secured shall, at once, at the option of the Lender, become immediately due and payable, together with accrued interest thereon, without notice or demand, which such notice and demand are hereby expressly waived. In the event consent for transfer is granted (which consent shall only be by express written consent), the Lender shall have the absolute right to cause the grantee, new owners and/or principals of grantee to assume and agree to pay the Note and to perform all terms and conditions of the Loan Documents, including this Mortgage, and may charge such fees and costs, including a reasonable attorney's fee, as may reasonably be charged for such assumption and to further adjust rates and terms such that they will be consistent with Lender's policies and requirements. Such consent to transfer and acceptance of the grantee shall not constitute a release of any maker, co-maker, endorser, Guarantor, or Borrower, unless such release is expressly given in writing by the Lender, and shall only be considered for the transfer permitted and shall not be construed as approval of any subsequent transfer.

## **22. DEALING WITH NEW OWNERS OF PREMISES**

In the event the ownership of the Premises or any part of it becomes vested in a person other than the Guarantor, the Lender, without notice to the Guarantor, may deal with the successor or successors in interest with reference to this Mortgage or the Loan Documents and the debt secured in the same manner as with the Guarantor and may forbear to sue or may extend

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time for payment of the debt secured, without discharging or in any way affecting the liability of any maker, co-maker, endorser, Guarantor or Borrower under this Mortgage or upon the debt secured.

## **23. FORECLOSURE OF LIEN**

If foreclosure proceedings of any lien of any kind affecting the Premises should be instituted, whether such lien is superior or inferior to the lien of this Mortgage, the Lender may, at its option, immediately or thereafter declare this Mortgage and the indebtedness secured hereby due and payable.

## **24. GUARANTOR'S FINANCIAL STATEMENTS**

Within thirty (30) days following the filing with the Internal Revenue Service or the State, if required, Guarantor, shall provide on an annual basis, completed executed governmental copies of Borrower's tax returns, including supplemental schedules and extensions.

## **25. NOTICE**

All notices required under the terms of this Mortgage shall be deemed to have been duly given either: (i) three (3) days after their deposit in the United States mail postage prepaid, or (ii) two (2) days after their deposit in a nationally recognized overnight courier service, or (iii) on the day of their personal delivery, if addressed or delivered to Lender or Guarantor at their following respective addresses, or such other address as is specified in writing by any party to the others, provided that no change of address by the Guarantor shall be effective unless Guarantor first serves notice of such change of address on Lender in writing by certified mail with return receipt requested, retaining a copy of such return receipt in its files. In any event, Guarantor shall exercise reasonable diligence to ensure that Lender is at all times advised of the correct address of each, and any changes thereto, stipulated as the following as of the date of this Mortgage:

Guarantor: Alan Steinhardt  
 Sharona Steinhardt  
 2954 W. Farwell Avenue  
 Chicago, Illinois, 60645

Lender: Paul Elis  
 Dept. 18-1216-EGR  
 P.O. Box 8523  
 Calabasas, CA 91302-8523

## **26. SECURITY INTEREST AND RIGHT OF SETOFF**

As additional collateral for the payment of the indebtedness of the Guarantor hereunder and all other indebtedness or liabilities of the Guarantor to the Lender (all such indebtedness and

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liabilities being hereafter in this paragraph called the "Obligation"), Lender shall have, and is hereby granted by the Guarantor, a security interest and right of setoff in and to all monies, securities, and other property of the Guarantor now or hereafter on deposit with or otherwise held by or coming into the possession or under the control of Lender and Lender may, at its option at any time and without notice to Guarantor, appropriate and apply to the payment or reduction, either in whole or in part, of the amount owing on all or any such Obligations (whether or not then due), any and all such monies, securities or other property.

## 27. CROSS DEFAULTS

A default in the terms and conditions of any obligations of the Guarantor to the Lender of whatever nature or kind including, but not exclusive of this obligation, shall constitute a default of the terms and conditions of this Mortgage and Note. Likewise, any default in the terms and conditions of this Mortgage and Note shall be and constitute a default under the terms and conditions of any other obligations owed by the Guarantor to the Lender. Upon such default, any of the Guarantor's checking and savings monies, securities or other property deposited with the Lender shall be immediately and irrevocably assigned to the Lender to apply to the obligations in any manner the Lender deems necessary.

## 28. MISCELLANEOUS

A. Neither the acceptance of this Mortgage nor the enforcement thereof shall prejudice or in any manner affect the right of Lender to realize upon or enforce any other security now or hereafter held by Lender, it being understood that Lender shall be entitled to enforce in the order and manner as it may in its discretion determine.

B. This Mortgage shall extend to and be binding upon Guarantor, his or its heirs, administrators, successors and assigns and all persons claiming under or through Guarantor. The word "Lender" when used herein shall include the successors and assigns of Lender named herein, and the holder or holders, from time to time, of the Note.

C. The Mortgage is intended to and does secure the payment of any and all extensions, modifications or renewals of the Note and any future advances made in accordance with this Mortgage or the Loan Documents.

D. Without affecting the liability of any other person liable for the payment of the Note or the lien of this Mortgage, Lender may release any person so liable, extend the time of payment or renew the Note, or grant other indulgences or modify any of the terms or provisions hereof or of the Note, release any parcel or portion of the Premises, or consent to the granting of any easement, or enter into any agreement subordinating the lien hereof, or take or release any other security for the payment of the Note or for the performance of any of the covenants and agreements hereunder, and/or make compositions or other arrangements with debtors in relations thereto.

E. All covenants, agreements and undertakings herein shall be joint and several.

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F. The Mortgage, Note, and other Loan Documents constitute Florida contracts and shall be construed according to the laws of the State of Florida.

G. The headings of the paragraphs contained in this Mortgage are for convenience or reference only and do not form a part hereof and in no way modify, interpret or construe the meaning of the parties hereto.

H. Wherever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision hereof shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity only, without invalidating the remainder of such provisions or other remaining provisions of this Mortgage.

I. This Mortgage may not be changed, terminated or modified in any manner except by an instrument in writing signed by the party against whom enforcement is sought.

J. If both the Lessor's and Lessee's estates under any lease or any portion thereof which constitutes a part of the Premises shall at any time become vested in any one owner, this Mortgage and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger and, in such event, Lender shall continue to have and enjoy all of the rights and privileges of Lender as to this separate estate. In addition, upon the foreclosure of the lien created by this Mortgage on the Premises pursuant to the provisions hereof, any leases or subleases then existing and created by Guarantor shall not be destroyed or terminated by application of the law of merger or as a result of such foreclosure sale unless Lender shall so elect. No act by or on behalf of Lender or any such purchaser shall constitute a termination of any lease or sublease unless Lender or such purchaser shall give written notice thereof to such tenant or subtenant.

K. Guarantor within three (3) days after request in person or within ten (10) days after request by mail, will furnish to Lender or any person, firm or corporation designated by Lender a duly acknowledged written statement setting forth the amount of the debt secured by this Mortgage and stating either that no offsets or defenses exist against such debt, or, if such offsets or defenses are alleged to exist, full information with respect to such alleged offsets and/or defenses.

## **29. WAIVER OF HOMESTEAD**

Guarantor does hereby waive all rights and protections afforded the Borrower under the homestead laws of the State where the Land is located, to the extent such rights and protections exist.

## **30. DEFINITIONS**

For purposes of this Mortgage, the following terms are defined:

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Lender: As set forth in the opening paragraph of this Mortgage, Lender shall include its successors, heirs and assigns and may otherwise be known or referred to in the Loan Documents as "Secured Party" or "Assignee".

Borrower: As set forth in the opening paragraph of this Mortgage, Borrower shall include its successors, heirs and assigns and may otherwise be known as or referred to in the Loan Documents as "Debtor" or "Assignor".

Loan Documents: Shall include this Mortgage, the Note, Financing Statements, Loan Agreement, Guaranties, if any, and such other instruments and documents executed and delivered pursuant to the extension of credit between the Borrower and Lender, and any modification, extensions or renewals, all of the terms of which are herein incorporated by reference.

## **31. ENVIRONMENTAL CONDITIONS**

Environmental Condition of Premises; Indemnification. Guarantor, after thorough investigation, warrants and represents to Lender that the Land described herein is now and at all times hereafter will continue to be in full compliance with all federal, state and local environmental laws and regulations, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Public Law No. 96-510, 94 Stat. 2767, 42 USC 9601 et seq., and the Superfund Amendments and Reauthorization Act of 1986 (SARA), Public Law No. 99-499, 100 Stat. 1613; and (b)(i) subject to the conditions described in (a) above, as of the date hereof there are no hazardous materials, substances, wastes or other environmentally regulated substances (including, without limitation, any materials containing asbestos) located on, in or under the Land or used in connection therewith, or (ii) Guarantor has fully disclosed to Lender in writing the existence, extent and nature of any such hazardous materials, substances, wastes or other environmentally regulated substances, which Guarantor is legally authorized and empowered to maintain on, in or under the Land or use in connection therewith, and Guarantor has obtained and will maintain all licenses, permits and approvals required with respect thereto, and is in full compliance with all of the terms, conditions and requirements of such licenses, permits and approvals. Guarantor further warrants and represents that it will promptly notify Lender of any change in the nature or extent of any hazardous materials, substances or wastes maintained on, in or under the Land or used in connection therewith, and will transmit to Lender copies of any citations, orders, notices or other material governmental or other communication received with respect to any other hazardous materials, substances, wastes or other environmentally regulated substances affecting the Land.

Guarantor shall indemnify and hold Lender harmless from and against any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including remediation and clean-up costs), judgments and expenses (including attorneys', consultants', or experts' fees and expenses) of every kind and nature suffered by or asserted against Lender as a direct or indirect result of any warranty or representation made by Guarantor in the preceding paragraph being false or untrue in any material respect or any requirement under any law, regulation or ordinance, local, state or federal, which requires the elimination or removal of any hazardous materials, substances, wastes or other environmentally regulated substances by Lender, Guarantor or any

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transferee of Guarantor or Lender but such duty to indemnify and hold harmless shall only arise if and to the extent such hazardous materials, substances, wastes or other environmentally regulated substances are attributable to circumstances occurring on or after the date of this Mortgage.

Guarantor's obligations hereunder shall not be limited to any extent by the term of the Note secured hereby, and, as to any act or occurrence prior to payment in full and satisfaction of said Note which gives rise to liability hereunder, shall continue, survive and remain in full force and effect notwithstanding payment in full and satisfaction of said Note and this Mortgage or foreclosure under this Mortgage, or delivery of a deed in lieu of foreclosure.

## **32. WAIVER OF JURY TRIAL**

BY THE EXECUTION HEREOF, GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREES THAT:

(A) NEITHER THE GUARANTOR NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF ANY OF THE SAME SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE ARISING FROM OR BASED UPON THIS MORTGAGE, THE NOTE, ANY OTHER LOAN AGREEMENT OR ANY LOAN DOCUMENT EVIDENCING, SECURING OR RELATING TO THE OBLIGATIONS OR TO THE DEALINGS OR RELATIONSHIP BETWEEN OR AMONG THE PARTIES THERETO;

(B) NEITHER THE GUARANTOR NOR LENDER WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN OR CANNOT BE WAIVED;

(C) THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS;

(D) NEITHER THE GUARANTOR NOR LENDER HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES; AND

(E) THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THIS TRANSACTION.

*[Remainder of Page Left Intentionally Blank; Signatures to Follow]*

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IN WITNESS WHEREOF, Guarantor has executed this Mortgage on the day and year first above written.

Signed, sealed and delivered  
in the presence of:

ALAN STEINHARDT  
Print: \_\_\_\_\_

Alan Steinhardt  
Alan Steinhardt

Sharona Steinhardt  
Print: \_\_\_\_\_

Sharona Steinhardt  
Sharona Steinhardt

STATE OF Illinois  
COUNTY OF Cook

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of February, 2018,  
by Alan Steinhardt and Sharona Steinhardt.

David P. B.  
NOTARY PUBLIC  
STATE OF Illinois

Print, type or stamp commissioned name of Notary Public  
Personally known K or Produced identification \_\_\_\_\_  
Type of Identification Produced: Driver's License OR  
Other \_\_\_\_\_

#4449861



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**SCHEDULE "A"**  
**Schedule of Lenders**  
 Loan Number: 18-1216-EGR

Provident Trust Group FBO Andris Benis - IRA 3203493  
 As to a .5103 % interest

Provident Trust Group FBO Brian Elis -ROTH IRA 3703416  
 As to a 4.0008 % interest

Provident Trust Group FBO Evi Brock -ROTH IRA 3703406 As  
 to a .8083 % interest

Provident Trust Group FBO Klara Benis - IRA 340 1800  
 As to a 8.4099 % interest

Provident Trust Group FBO Lena Elis - IRA 3001850  
 As to a 2.8251 % interest

Provident Trust Group FBO Lena Elis - Roth-IRA 3203392  
 As to a 17.9140 % interest

Provident Trust Group FBO Michael Elis - Roth-IRA 3703417  
 As to a .7227 % interest

Provident Trust Group FBO Paul Elis -- IRA 3001852  
 As to a 27.5568 % interest

Provident Trust Group FBO Paul Elis -- Roth-IRA 3203393 As  
 to a 12.8721 % interest

Provident Trust Group FBO Rhonda Weisheit -- Roth-IRA 3203437  
 As to a .7063 % interest

Provident Trust Group FBO Ronald Weisheit - Roth-IRA 3703452 As to  
 a 4.0907 % interest

Provident Trust Group FBO Ronald Weisheit- Roth inherited IRA 3303419  
 As to a 1.6330 % interest

Provident Trust Group FBO Wendy Elis - Roth-IRA 3 7034 18  
 As to a 3.1354 % interest

LE-1, LP  
 As to a 14.8146 % interest

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## EXHIBIT "A"

### Legal Description

LOT 97 IN DEER PARK, A RESUBDIVISION OF LOT 2 AND PART OF LOTS 1 AND 3 IN CIRCUIT COURT PARTITION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Property of Cook County Clerk's Office

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## EXHIBIT "B"

### Permitted Exceptions:

1. General taxes and assessments for the year 2017 2nd Installment, 2018 and subsequent years which are not yet due and payable.
2. Mortgage recorded October 03, 2012 as document 1227747069 made by Alan Steinhardt And Sharona R. Steinhardt to Mortgage Electronic Registration Systems, Inc., solely as nominee for Guaranteed Rate, Inc., to secure a note in the originally stated principal amount of \$403,500.00, and to the terms and conditions thereof.
3. Mortgage recorded December 22, 2016 as document 1635755110 made by Alan Steinhardt And Sharona R. Steinhardt to Bank of America, N.A., to secure a note in the originally stated principal amount of \$181,700.00, and to the terms and conditions thereof

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ADDENDUM TO MORTGAGE DATED: , referred to herein as "Addendum"

(For purposes of this document and this loan transaction, "Deed of Trust" and "Mortgage" are interchangeable terms and refer to the same security instrument). Capitalized words not otherwise defined herein shall have those definitions given them in the Loan Documents.

This Addendum modifies the terms and conditions of the Guarantor Mortgage, Security Agreement and Assignment of Leases, Rents and Profits (the "Mortgage" or the "Security Instrument") entered into on or about the date hereof by:

Guarantors: Alan Steinhardt and Sharona Steinhardt ("Guarantor")

Lender/Beneficiary/Mortgagee: See Schedule of Lenders attached hereto as Schedule "A" ("Lender")

In all instances where the terms of this Addendum and the Security Instrument are in conflict, then this Addendum shall prevail to the extent allowable by law.

This Addendum and other documents used in this transaction may contemplate a California property as security for the Loan and that the Loan will be subject to California law, custom and practice. If the Property is located in another state, common sense changes shall prevail. As an example, in states in which mortgages are commonly used, references to trust deeds shall mean mortgages.

## 1. Defaults and Remedies.

(A) Events of Defaults. Any of the following shall constitute a default under the Security Instrument: (1) the material breach of any warranty or a default in the performance of any obligation of Guarantor hereunder or under the Note, the Deed of Trust, or any Loan Document (including, without Limitation, the Loan Funding Agreement or Loan Commitment or similar document), and the same shall not be cured within the applicable cure period set forth in such documents, or (2) the false, inaccurate, or misleading nature of any material misrepresentation to induce Lender to make the loan given by Lender to Borrower or by any guarantor or their agent (i) regarding the financial condition or credit standing of Borrower or any guarantor or any partner of Borrower or (ii) regarding the Loan or the Property, including, but not limited to, representations and warranties contained in any Loan Funding Agreement, Financial Statement or Property Information form or (3) Borrower's or Guarantor's default or breach under any Security Instrument, note or other instrument or agreement in which Lender, or any assignee or related entity of the foregoing has an interest (Cross-Default Provision).

(B) Notwithstanding anything to the contrary in the Deed of Trust, if the Guarantor shall: (1) sell or enter into a contract of sale or option to sell, or further encumber, lien, mortgage, or transfer all or any part of the Property or an interest therein, by devise, descent, or by operation of law upon the death of a joint tenant; or (2) if any tenant who leases more than 25% of the leasable area of the Property, becomes insolvent or makes a general assignment for the benefit of creditors, or if any proceeding in bankruptcy, or any insolvency or reorganization proceedings shall be commenced by, against, or in respect of any tenants or lease guarantor; or (3) if Guarantor enters into any lease not containing a provision subordinating the lease to all mortgages; or (4) if Guarantor by act or omission creates a condition under which a lien could become superior to this Deed of Trust, then the Lender may, at its option declare the Note and any other obligations secured by the Security Instrument, together with accrued interest thereon, immediately due and payable, in full. No waiver of the Lender's right to accelerate shall be effective unless it is in writing.

(C). Lender's Remedies. Should Borrower fail to make any payment or to do any act as provided in the Note, or any other Loan Document (including, without Limitation, the Loan Funding Agreement or Loan

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Commitment or similar document) or should the Guarantor fail to perform any obligation secured by this Security Instrument, or should Borrower or Guarantor do any act Borrower or Guarantor agreed not to do, or should any of the representations and warranties made by Borrower or Guarantor be untrue in any material respect, and the same shall not be cured within the applicable cure period set forth in such documents, or if (i) a petition is filed by Borrower, or any guarantor, co-maker or endorser of the Note seeking or acquiescing to any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any law relating to bankruptcy or insolvency or an involuntary petition under such law is filed against Guarantor, and Guarantor fails to obtain a vacation, discharge, dismissal or stay of involuntary proceedings within thirty (30) days from the date of such filing; or (ii) a receiver, trustee, master or liquidator is appointed with respect to the Property or the rents, issues, profits, security deposits, royalties, tolls, earnings, income and other benefits therefrom, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within thirty (30) days; or (iii) Borrower, or any guarantor, co-maker or endorser of the Note is "insolvent" (unable to pay its debts as they become due in the regular course of business and/or if the fair market value of its assets does not exceed its aggregate liabilities), or (iv) Guarantor makes an assignment for Guarantor creditor's; or (v) any significant portion of Guarantor's assets is attached, executed upon or judicially seized in any manner and such attachment, execution or seizure is not discharged within 10 days, and Guarantor shall be in default under this Security Instrument, and Lender (but without obligation to do so and without notice to or demand upon Borrower and without releasing Guarantor from any obligation hereof, and without contesting the validity or amount of the same) shall have the right, at its option, to declare all sums secured hereby immediately due and payable, and may make or do the same in such manner and to such extent as it may deem necessary to protect the security hereof, Lender being authorized to enter upon the Property for such purposes, and in exercising any such power, pay necessary expenses, employ counsel and pay attorney's fees. Furthermore, at any time after and during the continuance of a default by Borrower or Guarantor, Lender shall have the following rights and remedies, all of such rights and remedies, together with the rights and remedies set forth in the previous sentence, shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies: (a) Lender may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Property; (b) Lender may exercise any or all of the remedies granted to a secured party under the Uniform Commercial Code; (c) Lender may choose, in its sole and absolute discretion, to dispose of some or all of the Property, in any combination consisting of both real and personal property, together in one sale to be held in accordance with the law and procedures applicable to real property, as permitted by Section 9604 of the Uniform Commercial Code (as adopted and codified by the laws of the state where the Property is located), and Guarantor agrees that such a sale of personal property together with real property constitutes a commercially reasonable sale of the personal property; and/or (d) Lender may exercise any other right or remedy which is set forth in this Security Instrument or any other Loan Document or which is otherwise available at law or in equity. Upon default by Guarantor, Lender may, by delivery to Trustee (where applicable) of written notice of declaration of default and demand for sale, cause to be filed of record a written notice of default and election to sell the Property. If required by Trustee, Lender shall also deposit with Trustee the Security Instrument or other Loan Documents or other agreements and such documents as required by Trustee evidencing expenditures or advances secured hereby. Trustee, upon presentation to it of an affidavit signed by Lender setting forth facts showing a default by Guarantor under any Paragraph or provision contained in this Security Instrument, is authorized to accept as true and conclusive the facts and statements therein and to act thereon hereunder without any independent investigation or further inquiry by Trustee. Guarantor hereby agrees to be bound thereby. After the lapse of such time as there may be required by law following recordation of such notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Guarantor, shall sell the Property either as a whole or in separate parcels, and in such order as it or Lender may determine, at public auction to the highest bidder for cash in lawful money of the United States. Lender may, in its sole discretion, elect that the Property be sold in separate

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parcels through two or more successive sales. If Lender elects more than one sale of separate parcels of the Property, Lender may, at its option, cause the same to be conducted simultaneously or successively, on the same day or at such different days or times and in such order as Lender may deem to be in its best interests, and no such sale shall terminate or otherwise effect the first lien of the Security Instrument or Trustee's power of sale hereunder until all indebtedness secured hereby has been fully paid. If Lender elects to dispose of the Property through more than one sale, Guarantor shall pay the costs and expenses of each such sale and of any proceedings where the same may be made or conducted. Subject to applicable law, Trustee may in good faith postpone and change the time and place of sale of all or any portion of the Property by public announcement at any time and place fixed by it in said notice of sale and from time to time and place to place thereafter, without any further posting or notice thereof, may postpone such sale in public announcement to the time and place fixed by such postponement, whether or not said place fixed by any postponement be in the same city or other place as fixed in said notice of sale. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenants or warranty, express or implied. The recital in such deed of any matters of fact or otherwise shall be conclusive proof of truthfulness thereof. Any person, including Guarantor, Trustee or Lender may purchase at such sale. After deducting all costs, fees and expenses of Trustee and of this trust, including cost of evidence of title in connection with such sale, Trustee first shall apply the proceeds of sale, condemnation or insurance relating to the Property to payments of all sums expended under the terms hereof not then repaid, with accrued interest at the rate then payable under the Note or other obligations secured hereby, then to payment of all other sums secured hereby in such order as Lender may direct, and if thereafter there be any proceeds remaining, distribute them to the Guarantor or to such other person or persons legally entitled thereto. Guarantor and all persons dealing with the Property through or under Guarantor and their successors and assigns, including, without limitation all subsequent purchasers of all or any portion of the Property and all persons holding or obtaining an interest in the Property which is junior and subordinate to this Security Instrument, by taking and accepting their respective conveyances, encumbrances, security interests, deeds of trust, or liens do hereby acknowledge, covenant and agree with Lender that (i) in the event of any default in the repayment of the indebtedness secured hereby, or in the event of any default under the terms of this Security Instrument, or under any other deed of trust or security agreement securing the same indebtedness as is secured by this Security Instrument, whether directly or by virtue of a cross-collateralization agreement or under any other Loan Document, Lender may proceed to seek foreclosure or any other relief available at law or in equity in any order which Lender may determine, in Lender's sole discretion, and Lender may proceed against any property or collateral securing said indebtedness in any order which Lender elects without regard to any matters which could or might be raised by any subsequent purchaser or by any junior lienor or encumbrancer under those certain equitable doctrines known as the doctrine of "marshalling of assets" and the doctrine of "inverse order of alienation", (ii) they will not assert, and they do hereby waive any right to assert, the doctrine of marshalling of assets or any similar equitable doctrines, and (iii) they will not assert, and they do hereby waive any right to assert, the doctrine of inverse order of alienation or any similar equitable doctrines.

2. Bankruptcy and other Proceedings. If Lender's interest in the Property is materially affected by any proceeding under the bankruptcy laws of the United States, the Lender, at Lender's option, may take such action, including seeking relief under the bankruptcy laws, and disburse such sums, including reasonable attorney's fees, as is necessary to protect Lender's interest. If Guarantor under the Loan Documents fails to perform the covenants and agreements contained in this Security Instrument, or if any non-bankruptcy action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, may make such appearances, disburse such sums, including reasonable attorney's fees, and take such action as is necessary to protect Lender's interest under the Loan Documents.

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3. Disbursement by Lender. Other than the initial advance of the Loan proceeds on the closing date, any amounts disbursed by Lender pursuant to this Security Instrument with interest thereon, at the Note rate, plus a service charge of 4% of the amount of each advance shall become additional indebtedness of Borrower secured by this Security Instrument. Unless Borrower and Lender agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this Addendum shall require Lender to incur any expense or take any action thereunder.

4. Proof of Property Tax Payment. Promptly upon Lender's request, Guarantor shall provide to the Lender proof of timely payment of property taxes and property assessments relating to the Premises; provided, however, that if Guarantor shall in good faith, and by proper legal action, contest any such taxes, claims, liens, encumbrances or other charges or the validity thereof, and shall have established on its books, or by deposit of cash with Lender (as Lender may elect), or by deposit of cash or bond with an appropriate governmental authority, a reserve for the payment thereof in such amount as Lender may require, then Guarantor shall not be required to pay the same, or to produce such receipts, during the maintenance of said reserve and for as long as such contest operates to prevent collection and is being pursued and prosecuted with diligence and shall not have been terminated or discontinued adversely to Guarantor. In the event of Guarantor's failure to do so and should Lender undertake to make its own investigation as to such timely payment, then Lender may charge a fee to Guarantor in an amount not to exceed \$250.00 for each tax payment investigated by Lender.

5. Lender's Right to Require Updated Information. Guarantor shall provide or induce Borrower to provide, within fifteen days of Lender's request, updated information of any form, document or report referenced in the Loan Funding Agreement or any other Loan Document. This may include, without limitation, forms, documents, and reports regarding the condition of this Loan, the condition of the Property, tenancies, then current financial information of the Borrower, Guarantor and/or Property, and written permission from the Borrower and Guarantor to obtain updated credit reports and copies or transcripts of tax returns. Guarantor waives any privilege to the production of tax returns, K-1s, and other financial documents in any enforcement action, mediation or arbitration.

6. Correction or Loss of Documentation. Guarantor agrees, if requested in writing by Lender, to fully cooperate (within ten (10) business days of its receipt of such written request) and adjust for lost or incorrectly executed documents or clerical errors, any or all loan and/or loan closing documentation if deemed necessary or desirable in the sole discretion of Lender for any reason including enabling Lender to sell, convey, hypothecate, or market said Loan. The continued failure of Guarantor to comply with any part of this provision for any reason will be deemed a default of the Loan.

7. Unenforceable Provisions. If any provision of this Addendum is determined by any court of competent jurisdiction or arbitrator to be invalid, illegal, or unenforceable to any extent, such provision shall, to the extent of such invalidity, illegality, or unenforceability, be severed, and the remaining provisions of this Addendum shall remain in full force and effect. If any one or more of the provisions contained in this Addendum shall for any reason be held to be excessive as to amount, time, duration, scope, activity, or subject, such provision shall be construed by limiting and reducing it so as to make such provision enforceable to the extent compatible with the then existing applicable law.

8. Security Agreement and Financing Statements. Guarantor hereby grants to Lender (as Creditor and Secured Party) a security interest in all of the Property which is tangible or intangible personal property, including without limitation, fixtures, goods, accounts, deposit accounts, instruments, chattel paper, documents, letters of credit, letter of credit rights, supporting obligations, and general intangibles described hereinabove and all additions, substitutions and proceeds (cash and noncash) of the foregoing.

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Guarantor shall execute any and all such documents as Lender may request, including without limitation, financing statements pursuant to the Uniform Commercial Code in the jurisdiction in which the Property is located or in which Guarantor resides or is formed or organized, as applicable (the "Uniform Commercial Code"), to preserve and maintain the priority of the lien created hereby on property which may be deemed personal property or fixtures, and shall pay to Lender on demand any expenses incurred by Lender in connection with the preparation, execution and filing of any such documents. Said financing statements shall be filed in the real estate records of the county in which the Property is located and such other offices as Lender deems advisable under the Uniform Commercial Code. Guarantor hereby authorizes Lender to file all financing statements, refilings, continuations and amendments thereof as Lender deems necessary or advisable to create, preserve and protect said lien and security interest. Guarantor shall cooperate with Lender in obtaining control of deposit accounts, letter of credit rights and any other collateral for which control is necessary for perfection under the Uniform Commercial Code. This Security Instrument constitutes a security agreement for any and all items of Property which are personal property and fixtures and which, under applicable law, may be subject to a security interest pursuant to the applicable Uniform Commercial Code and which are not herein effectively made part of the Property. Guarantor hereby grants Lender a security interest in said property, and in all additions, substitutions and proceeds (cash and noncash) thereof, for the purpose of securing all indebtedness and obligations of Guarantor now or hereafter secured by this Security Instrument. The remedies available to Lender for violations of the covenants, terms and conditions set forth in this security agreement shall be (i) as set forth in this Security Instrument and (ii) as permitted under applicable law, including the Uniform Commercial Code. Each of these remedies shall be distinct and cumulative as to all other rights or other remedies and may be exercised concurrently, independently or successively, as Lender may elect.

This Security Instrument constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder of the county in which the Property is located with respect to any and all fixtures included within the term "Property" as used herein and with respect to any goods or other personal property that may now be or hereafter become such fixtures.

Guarantor and Lender agree that neither the filing of a financing statement in the public records normally having to do with personal property nor the taking of any other action described in the above Paragraph shall be construed in any way as derogating from or impairing the express declarations and intention of the parties hereto, hereinabove stated, that everything used in connection with the production of income from the Property and/or adapted for use therein and/or which is described or reflected in this Security Instrument is, and at all times and for all purposes and in all proceedings both legal or equitable, shall be regarded, to the extent permitted by applicable law, as part of the real estate encumbered by this Security Instrument irrespective of whether (i) any such item is physically attached to the Improvements, (ii) serial numbers are used for the better identification of certain equipment or other items capable of being thus identified in a recital contained herein or in any list filed with Lender, or (iii) any such items is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) Guarantor's interest as lessor in any present or future lease, rental agreement, tenancy agreement or occupancy agreement or right to income growing out of the use and/or occupancy of the Property, whether pursuant to lease or otherwise, shall never be construed as in any way altering any of the rights of Lender as determined by this Security Instrument or impugning the priority of Lender's lien granted hereby or by any other recorded document, but such mention in the financing statement is declared to be for the protection of Lender in the event any court or judge shall at any time hold with respect to clauses (1), (2), and (3) of this Paragraph 3 that notice of Lender's priority of interest to be effective against a particular class of persons, including but not limited to the federal government and any subdivisions or entity of the federal government, must be filed in such public records.

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Guarantor represents, covenants and warrants that as of the date hereof and at all times hereafter during the term hereof as follows: Guarantor's full, correct and exact legal name is set forth at the end of this Security Instrument. If Guarantor is not an individual, Guarantor is an organization of the type and (if not an unregistered entity) is incorporated in, organized or formed under the laws of the state specified in the introductory paragraph to this Security Instrument. If Guarantor is an unregistered entity (including, without limitation, a general partnership) it is organized or formed under the laws of the state specified in the introductory paragraph of this Security Instrument. In the event of any change in name or identity of Guarantor, Guarantor shall notify Lender in writing of such change at least thirty days prior to the effective date of such change and hereby authorizes Lender to file such Uniform Commercial Code forms as are necessary to maintain the priority of Lender's lien upon the Property which may be deemed personal property or fixtures, including future replacement thereof, which serves as collateral under this Security Instrument, and shall pay all expenses in connection with the filing and recording of such forms.

At any time or from time to time, without liability therefore and without notice upon written request of Lender and presentation of this Security Instrument and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Lender may: reconvey any part of said property; consent to the making of any map or plat thereof; add an additional named guarantor that subjects its interest in the Property to the terms of this Security Instrument and consents to be bound by the terms hereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien of charge thereof. Lender or Trustee may, but shall be under no obligation or duty to, appear in or defend any action or proceeding purporting to affect said property or the title thereto, or purporting to affect the security hereof or the rights or powers of Lender or Trustee.

9. Repair and Maintenance of Property. Guarantor covenants and agrees with Lender to cause the Property to be managed in a first class manner satisfactory to Lender; to keep the Property in good condition and repair, including, without limitation, maintaining all structures on the Property free of any liquid water and/or water vapor intrusion into the structures in amounts that could support the growth of fungus and/or mold inside the structures; not substantially to alter, remove or demolish any buildings or other improvements except when incident to the replacement of fixtures, machinery or appliances with items of like kind and of at least equivalent value; to restore promptly and in a good and workmanlike manner to no less than the equivalent of its condition on origination of the Loan any buildings or other improvements which may be damaged or destroyed, including, without restricting the generality of the foregoing, damage from termites and earth movement, regardless of whether insurance proceeds are available to cover any part of the cost of such restoration and repair; to pay when due all claims for labor performed and materials furnished in connection with the Property and not to permit any mechanic's or materialman's lien to be filed or remain against the Property; to comply with all laws affecting the Property or the operation or leasing thereof or requiring any alterations or improvements to be made thereon, including, without limitation, the Americans with Disabilities Act of 1990, as amended; to fully remedy in a manner acceptable to Lender any notice of violation or any other notice issued by any governmental entity having jurisdiction over the Property within thirty (30) days of the date of such notice; not to commit or permit waste thereon; not to commit, suffer or permit any act upon the Property in violation of law; to cultivate, irrigate, fertilize, fumigate and prune all landscaping on the Property; and to do all other acts that from the character or use of the Property may be reasonably necessary to keep the Property in the same or better condition (reasonable wear and tear excepted) as at the date of this Security Instrument; to perform and keep each of the covenants and agreements required to be kept and performed by Guarantor pursuant to the terms of any lease by which Guarantor has obtained its interest in the Property and any and all other instruments creating Guarantor's interest in or defining Guarantor's rights in respect to the Property. Without the prior written consent of Lender (which Lender may withhold in its absolute discretion), Guarantor shall not (i) initiate or acquiesce in a change in the

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zoning classification of and/or restrictive covenants affecting the Property or seek any variance under existing zoning ordinances, (ii) use or permit the use of the Property in a manner which may result in the use of the Property becoming a non-conforming use under applicable zoning ordinances, or (iii) subject the Property to restrictive covenants.

10. Insurance. At all times, Guarantor is to provide, and maintain in force, and pay the cost of property, casualty, commercial general liability, and other types and forms of insurance coverage with respect to such Property or the Loans as may be required by Lender in accordance with Lender's insurance requirements as delivered to Guarantor from time to time, including but not limited to the following:

(A) Property All-Risk Insurance. Each policy of insurance shall be in an amount, for a term and in a form and content, shall insure against such risks of loss or damage as are commonly covered by all risk extended coverage policies of insurance and such other risks as Lender may from time to time designate for coverage under Guarantor's policies, and shall be provided through such insurance companies, as may be satisfactory to Lender, with loss payable to Lender and shall, if required by Lender, be delivered to and remain in the possession of Lender as further security for the performance by Guarantor under this Security Instrument. Such policy of insurance shall include as Lender's Loss Payable Endorsement of Mortgagee Clauses in favor of and in form acceptable to Lender. A "438 BFU" endorsement to the policy is required. The insurance carrier must agree to provide Lender with not less than 30 days written notice of cancelation or termination of the insurance policy.

The amount of such insurance shall in no event be less than (i) the original amount of the Note and be in compliance with any co-insurance requirements of such insurance, or (ii) an amount equal to the highest insurable value of the Property, whichever is the lesser.

Guarantor hereby assigns to Lender all unearned premiums on any such policy, and agrees that any and all unexpired insurance shall inure to the benefit of, and pass to, Lender upon acquisition by Lender of the Property through foreclosure proceedings or any purchaser of the Property pursuant to such foreclosure proceedings. Pursuant to its rights granted hereunder in all proceeds from any insurance policies, Lender is hereby authorized and empowered at its option to adjust or compromise any loss under any insurance policies on the Property and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Lender alone and not to Guarantor and Lender jointly. So long as Guarantor is not in default under the Loan Documents, Guarantor shall be entitled to participate in the adjustment or compromise of any insurance loss.

(B) Commercial General Liability Insurance and Loss of Income Insurance. Guarantor shall, at its sole expense, purchase and maintain commercial general liability insurance coverage for the ownership, maintenance and use of the Property. Lender may require such policies to: (a) be no less than a certain minimum reasonable amount (but \$1,000,000 initially); (b) insure against such risks of liability as are commonly covered by broad form commercial liability policies in general use for owners of properties similar to the Property and such other risks as Lender may from time to time reasonably designate for coverage under Guarantor's policies; (c) be provided through such insurance companies as may be satisfactory to Lender; and (d) include Lender and its successors and assigns, as additional insured or additional loss payees.

Lender may further require that Guarantor provide, and maintain in force, at Guarantor's sole expense, loss of rental income insurance, loss of earnings insurance, business interruption insurance or other forms of coverage to protect the income or earnings of the Property, in form, coverage and liability amount acceptable to Lender.

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(C) Other Insurance. Guarantor shall, at its sole expense, obtain and maintain such additional insurance coverage as Lender may from time to time require against other insurable hazards or risks, including but not limited to, environmental impairment liability coverage, flood, wind, and earthquake; provided that Lender may only require coverage for risks not required by Lender at origination of the Loan if such hazards or risks are commonly insured against, and provided such insurance is reasonably available for property similarly situated, due regard being given to the height and type of any buildings, their construction, use and occupancy. Guarantor shall promptly pay all premiums when due on any such policies and renewals thereof and shall furnish Lender with written evidence of such payment. At least thirty days prior to the expiration of any such policies required by Lender, a policy form renewing or extending such expiring insurance shall be delivered to Lender if Lender requests delivery of such policies to it.

In the event Guarantor fails to provide insurance complying with the provisions hereof, Lender may, but without obligation so to do, without notice to Guarantor, without demand upon Guarantor, without releasing Guarantor from any obligation hereof, and without curing any default of Guarantor, obtain insurance in any amounts determined by Lender, through or from any insurance agency or insurer or insurance underwriter acceptable to Lender, and pay the premium therefore, and Lender by doing so shall not be chargeable with obtaining or maintaining such insurance or for the collection of any insurance monies or for any insolvency of any insurer or insurance company. Insurance coverage obtained by the Lender is likely to be substantially more expensive and may provide substantially less coverage than would or could be obtained by Guarantor and Lender shall have no liability in connection with the cost or coverage provided.

Lender, from time to time, may furnish to any insurance agency or company, or any other person, any information contained in or extracted from any insurance policy theretofore delivered to Lender pursuant hereto and any information concerning the Loan, Guarantor, or the Property.

Guarantor hereby assigns to Lender all insurance proceeds from each and every kind of insurance obtained by Guarantor related to the Property, including without limitation, all proceeds from insurance not specifically required by Lender at the origination of the Loan or thereafter but which may be carried by Guarantor from time to time with respect to the Property, or the ownership, operation or income thereof, including, without limitation, earthquake, wind and hurricane insurance. Lender hereby agrees to apply such proceeds as provided in Section 1(C) herein. If at any time Guarantor obtains insurance related to the Property or the ownership, operation or income thereof, which is not specifically required by Lender, including, without limitation, earthquake, wind and hurricane insurance, the Guarantor shall nevertheless include Lender and its successors and assigns as additional insured's or additional loss payees thereto.

**WARNING** -- unless you provide us with evidence of the insurance coverage as required herein, we may purchase insurance pursuant to this section. This insurance may, but need not, also protect your interest. If the collateral becomes damaged, the coverage we purchase may not pay any claim you make or any claim made against you. You may later cancel this coverage by providing evidence that you have obtained coverage elsewhere so long as that coverage meets at least the minimum requirements set forth herein.

You are responsible for the cost of any insurance purchased by us. The cost of this insurance may be added to your contract or loan balance. If the cost is added to your contract or loan balance, interest will accrue to this added amount at the rate set forth herein, the Note, the Deed of Trust or other Loan Documents. The effective date of coverage may be the date your prior coverage lapsed or the date you failed to provide proof of coverage.

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The coverage we purchase may be considerably more expensive than insurance you can obtain and may not satisfy any need for property coverage or any mandatory liability insurance requirements imposed by applicable law.

11. Waiver of Marshalling: Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided in this Security Instrument, the Note, any other Loan Documents or applicable law. Subject to Section 12.(C) of the Security Instrument, Lender shall 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. Guarantor and any party who now or in the future acquires a security interest in the Property, and who has actual or constructive notice of this Security Instrument waives any and all right to require the marshalling of assets of the Guarantor, including the Property, or to require that any of the Property be sold in the inverse order of alienation, or that any of the Property be sold in parcels or in its entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this Security Instrument.

12. Waiver of Statute of Limitations. Time is of the essence in all Guarantor's obligations hereunder, and to the fullest extent permitted by law, Guarantor waives the right to assert any present or future statute of limitation with respect to any debt, demand or obligation secured hereunder in any action or proceeding for the purpose of enforcing this Security Instrument, the Note or any other Loan Document or any rights or remedies hereunder.

13. Lease Affecting the Property.

(A) Guarantor Representations and Warranties. Guarantor warrants, represents and covenants as to each lease between Guarantor and its tenant (the "Tenant Lease") now or hereafter covering all or any part of the Property, that (i) each Tenant Lease is in full force and effect, valid and enforceable in accordance with its terms and has not been modified, amended or altered, whether in writing or orally; (ii) no default exists on the part of the tenant under the Tenant Lease or Guarantor thereunder and not the best of Guarantor's knowledge, no event has occurred and is continuing which would result in default but for the requirement that notice be given in accordance with the terms of the Tenant Lease; (iii) no rent has been collected more than one month in advance; (iv) no Tenant Lease, or any interest therein, nor rents and profits arising therefrom, has been previously assigned or pledged; (v) no tenant has any defense, setoff or counterclaim against Guarantor under any Tenant Lease; (vi) all rent due under each Tenant Lease has been collected and no concession has been granted to any tenant under a Tenant Lease in the form of a waiver, release, reduction, discount or other alteration of rent due or to become due thereunder; (vii) no Tenant Lease grants to the tenant thereunder, or anyone else an option to purchase, or a right of first refusal to purchase, any part of the Property; (viii) Guarantor is the sole owner of the entire landlord's interest in all Tenant Leases and it has not and will not perform or fail to perform any acts or execute any other instruments which might prevent Lender from fully exercising its rights under the terms, covenants and conditions of this Security Instrument; and (ix) Guarantor has full right, power and authority to assign the Tenant Leases and the rents and profits to Lender and Guarantor has not done any act which might prevent Lender from exercising its rights under this Security Instrument. The assignment of leases set forth hereinabove shall not be deemed to impose upon Lender any of the obligations or duties of Guarantor provided in any such lease (including, without limitation, any liability under the covenant of quiet enjoyment contained in any lease), and Guarantor shall comply with and observe its obligations as landlord under all leases affecting the Property or any part thereof.

(B) Guarantor Restrictions as Landlord. Without the prior written consent of Lender, Guarantor shall not (i) amend, modify, cancel, terminate (except following a default by the tenant thereunder which has not been cured within the period, if any, expressly provided for such cure in the Tenant Lease) any

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Tenant Lease, (ii) waive, excuse, or in any manner release or discharge any tenant or guarantors from their obligations with respect to any Tenant Lease, (iii) extend the term of any Tenant Lease on the Property entered prior to the date hereof, or (iv) enter into any new Tenant Lease on the Property after the date hereof for a period of more than five years including options. Notwithstanding the foregoing, with respect to any Tenant Lease which covers 10,000 square feet or less of the total rentable square footage of the Property, Lender hereby grants permission to Guarantor, revocable at any time immediately upon written notice from Lender to Guarantor, without regard to the due and faithful performance of Guarantor under this Security Instrument, the Note and the other Loan Documents, to take any of the foregoing actions if in the judgment of Guarantor, reasonably exercised, such actions do not adversely affect Lender's security interest in the Property, the Tenant Leases or the rents and profits therefrom. Guarantor shall not accept payment of rent more than one month rent in advance without the prior written consent of Lender, which Lender may withhold in its absolute discretion. Lender shall have the right to require at any time and from time to time that Guarantor promptly furnish to Lender original or certified copies of all Tenant Leases now existing or hereafter created.

(C) Duty to Notify Lender. Guarantor will immediately notify Lender when any release, termination or "buy-out" consideration is due and payable to Guarantor by any tenants or guarantors with respect to any lease, rental, tenancy or occupancy agreement. Notwithstanding anything to the contrary set forth in this Security Instrument or any of the Loan Documents, Lender may, in its sole and absolute discretion, require that any such release, termination or "buy-out" consideration be paid immediately to Lender as proceeds of its collateral. In its absolute and sole discretion and without regard to the adequacy of Lender's security, Lender may apply such payments to reduce the unpaid principal balance of the Loan or deposit such payments in a non-interest bearing account established with Lender which account shall be held as additional security for the Loan.

(D) Assignment of Leases. With respect to the assignment of leases hereinabove set forth, Guarantor shall, from time to time upon request of Lender, execute one or more separate specific lease assignment or assignments in such form as may be approved by Lender, assigning to Lender all right, title and interest of Guarantor in and to any and all leases now or hereafter on or affecting the Property, together with all security therefore and all monies payable thereunder, subject to the conditional License hereinabove given to Guarantor to collect the rents and profits under any such lease. Guarantor shall also execute and deliver to Lender any notification, financing statement or other document reasonably required by Lender to perfect the foregoing assignment as to any such lease. Lender shall have the right, at any time and from time to time, to notify any tenant of the rights of Lender as provided in the assignment by Guarantor to Lender of all leases relating to the Property and to the rents and profits.

(E) Rights of Subordination and Attornment. The lien of this Security Instrument is superior to all existing and future leases. However, in the event of the occurrence of any default by Borrower or Guarantor under any Loan Document and the institution by Lender of any foreclosure, receivership or other proceeding for the enforcement of Lender's rights or remedies under this Security Instrument, Lender may elect at any time prior to consummation of a foreclosure sale of the Property to declare any or all Tenant Leases to be prior and superior to the lien of this Security Instrument and to recognize the rights of the tenant(s) thereunder, in which event such Tenant Lease(s) shall survive such foreclosure sale and shall be and remain in full force and effect, and the tenant(s) thereunder shall be obligated to attorn to Lender or such purchaser and to execute and deliver such instruments of attornment as Lender or such purchaser shall require. Any such election shall be in the sole discretion of Lender and shall be evidenced by written notice from Lender to Guarantor and/or to the applicable tenant(s) delivered either prior to or within thirty (30) days following such foreclosure sale, by a statement of such election contained in the notice of the foreclosure sale, and/or by announcement at such foreclosure sale.

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14. No Waiver or Modification Unless in Writing. No modification or waiver by Lender of any right under this Security Instrument shall be effective unless in writing. Waiver by Lender of any right granted to Lender under this Security Instrument or under any provision of this Security Instrument as to any transaction or occurrence shall not be deemed a waiver as to any future transaction or occurrence. By accepting payment of any sum secured hereby after its due date, or by making any payment or performing any act on behalf of Guarantor that Guarantor was obligated hereunder but failed to make or perform, or by adding any payment so made by Lender to the indebtedness secured hereby, or by exercising Lender's rights to receive and collect the rents, issues, profits, security deposits, royalties, tolls, earnings, income and other benefits therefrom, Lender does not waive its right to require prompt payment when due of all sums so secured or to require prompt performance of all acts required hereunder, or to declare a default for failure so to pay or perform.

15. After-Acquired Property.

(A) Attachment. To the extent permitted by, and subject to, applicable law, the lien of this Security Instrument, including without limitation the security interest created under the granting clauses of this Deed of Trust, shall automatically attach, without further act, to all property hereafter acquired by Guarantor located in or on, or attached to, or contiguous to, or used or intended to be used in connection with, or with the operation of, the Property or any part thereof.

(B) Partition; Easements; Zoning. Until all amounts owed pursuant to the Note have been repaid in full, Guarantor covenants and agrees that the Property shall not be the subject of a subdivision, lot partition, lot line adjustment(s) and the use of the Property shall not change from the use as of the date of the Deed of Trust. Until all amounts owed pursuant to the Note have been repaid in full, Guarantor further covenants and agrees that Guarantor, other than with Lender's written consent, shall not grant any easements over, across, through the Property nor shall Guarantor grant or allow easements to be created which burden the Property. Similarly, other than with Lender's written consent Guarantor shall: (i) not allow the zoning designation of the Property to be changed or altered, (ii) not pursue a change of the zoning designation of the Property, (iii) oppose, to the best of Guarantor's ability, any attempt to change or alter the zoning designation of the Property or create special assessments involving the Property.

16. Personal Property Left at Foreclosed Property: Guarantor waives any rights in or claims to personal property remaining at the foreclosed property as described in California Code of Civil Procedure and elsewhere in codes and case law, on the Property as of the foreclosure of the Property and all such title and interest to the personal property shall, at the sole and absolute discretion of Lender, immediately transfer to Lender without account, inventory, or duty to dispose of pursuant to notice and sale under applicable law. Lender has the absolute right to remove and dispose of said personal property and is not required to store and/or preserve personal property. To the extent said personal property is located in any other state or Territory of the United States of America, a similar waiver and procedure is agreed to by Guarantor.

17. Taxation of Trust Deeds: In the event of the enactment of any applicable law for the purpose of taxation of any lien secured under this Trust Deed, Guarantor shall bear and pay the full amount of those taxes. However, in the event that payment by Guarantor of any new, changed or additional taxes would be unlawful or if payment would then constitute usury, Lender may on ninety (90) days' advance written notice declare the debt to be immediately due and payable (and if such option is exercised and notice given, then upon the expiration of such ninety (90) days written notice, the entire indebtedness secured by the Note and Mortgage shall be due and payable, and nonpayment thereof shall constitute a default under the Mortgage, entitling the Lender to the exercise of all rights arising from any other event constituting a default thereunder) or Lender may at its option pay that amount or portion of the tax as

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would otherwise render the debt unlawful or usurious, in which event Guarantor shall concurrently pay the remaining lawful and non-usurious portion of those taxes.

18. Fees for Late Payments, Advances, Dishonored Checks and Other Fees Payable By Borrower. Fees payable to Lender from Guarantor for late payments, advances, dishonored checks and the like are in addition to, and not in lieu of, any other remedy. Payment or the accrual of such fees may result in the outstanding principal balance exceeding the face amount of the Note.

19. Limitation of Lender Liability. The obligations of Lender under this Loan shall not constitute personal obligations of Lender or its partners, members, directors, principals, officers or investors, and Guarantor shall look only to Lender's interest in the Loan, and to no other assets of Lender for the satisfaction of any liability of Lender with respect to this Loan, and shall not seek recourse against Lender's partners, members, principals, directors, officers or investors, or any of their personal assets for such satisfaction.

2. Commercial Loan and Use of Property. Guarantor hereby represents that this loan is for commercial use and not for personal, family or household purposes. To the maximum extent permitted by applicable law, Guarantor represents, warrants and covenants that this Security Instrument is being executed to provide security for the Loan entered into by and between Borrower and Lender. A breach of the representations, warranties and covenants set forth in this Section 20 shall constitute a material Event of Default and shall entitle Lender, at Lender's option, to declare the Note and any other obligations secured by the Security Instrument, together with accrued interest thereon, immediately due and payable.

3. Requirement of Tender. In the event of foreclosure of this Deed of Trust, any party, including the Guarantor, or any junior lienor, who elects to challenge or bring any action against the foreclosure on any legal or equitable ground, must as a condition to any such proceeding tender full payoff to the Beneficiary or other party who acquired title to the property through the foreclosure sale, of all indebtedness, fees and costs secured by the foreclosed Deed of Trust. In the event such required tender is not made and satisfied, then any such proceeding with respect to the foreclosure will not be entertained or heard by any court or other tribunal.

22. Assignment of Leases and Rents. If and to the extent that the Deed of Trust does not contain an assignment of similar effect and in addition to all other assignments made in the Deed of Trust, in the event of a default by Borrower under the Loan, Note and/or Deed of Trust that is not timely cured, Guarantor does hereby assign to Lender all of the rents, profits and issues due and to become due from the real and personal property encumbered by the Deed of Trust, together with all documents, leases, agreements, service contracts and insurance policies affecting the such real and personal property. Upon Borrower's default under the Loan, Note and/or Deed of Trust that is not timely cured, Lender shall have the authority to: (a) enter upon and take possession of the real and personal property encumbered by the Deed of Trust, (b) demand, collect and receive from the tenants, lessees or parties in possession of the Premises or part thereof, rents now due or to become due, (c) endorse Guarantor's name on any checks, notes or instruments for the payment of money and to deposit the same in Lender's accounts, and (d) to rent or lease the real and/or personal property secured by the Deed of Trust and to employ agents to manage, clean and maintain the same. The Lender in collecting such proceeds shall apply the same, less expenses of collection, to the said indebtedness of Borrower, other secured items and repairs of Borrower's property, in such manner as the Lender may elect; provided, however, that until there be a default under the term of the Security Instrument (which is not cured within the applicable curative period prescribed therein), Guarantor may continue to collect and enjoy said rents, issues, profits, income and accounts receivable giving only an annual accounting to the Lender for the same. The curing of any

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default within the period permitted by the Mortgage shall entitle the Borrower to again collect said rents, issues, profits, income and accounts receivable.

23. Assignment of Work Product. Guarantor does hereby assign to Lender any and all of its development work product, including, but not limited to, any and all of its work product from any and all of its architects, engineers, surveyors and consultants which Guarantor owns or which is under the control of Guarantor, or which Guarantor may obtain.

24. Majority of Note Holders May Direct. Each Lender, by submitting the Funds or its share of the Funds to make the Loan to Borrower, agrees with the other Lenders that: i) a Majority of the holders of the Lender's interest in the Loan shall have the right to direct the actions of all holders of the Lender's interest; (ii) Holders of more than 50% of the recorded beneficial interest in the Loan may appoint a person to act on behalf of all of the Lenders as to any matter requiring approval of the Lenders including, but not limited to, designation of a broker and/or servicing agent, actions related to defaults and/or foreclosures, reconveyances of liens or similar matters; (iii) Paul Elis is appointed as an attorney in fact of and to the Lenders to engage in any or all actions permitted by law with respect to the Loan including those recited in the previous sentence; and (iv) each Holder of the Lender's interest agrees to execute any or all documents, including obtaining notarization thereof, as deemed necessary by Paul Elis. This Section 24 relates (to the extent that it is operable with regard to parties that are not signatory thereto) solely to the rights and obligations of the various Lenders and their appointed attorney in fact, and does not relate to or alter the rights and obligations of the Borrower and Guarantors pursuant to the Loan Documents.

25. Enforcement of Foreign Orders and Judgments. To the extent that any part of any judgment, decree, or order ("Judgment") of a court of any state in the United States requiring payment of any money by Guarantor to Lender, (excluding a support order) is filed and entered with any court having jurisdiction, such judgment shall be immediately enforceable and a writ of execution be issued thereon. Guarantor specifically and expressly WAIVES the following challenges to the enforcement of the Judgment:

- (1) The state court that entered the original Judgment lacked either subject matter or personal jurisdiction over the defendant;
  - (2) A stay of enforcement of the Judgment due to an appeal of the Judgment pending in the state of original jurisdiction;
  - (3) the state court of original jurisdiction granted a stay of enforcement of the Judgment;
- and
- (4) Guarantor caused a motion to vacate the Judgment in court of original jurisdiction.

This waiver is knowingly made and entered on the advice of counsel who represented the Guarantor in this loan transaction. Guarantor acknowledges that he/she consulted with an attorney of their choosing before signing this Addendum: **GUARANTOR INITIAL HERE:** AS SS \_\_\_\_\_

Guarantor:



Alan Steinhardt



Sharona Steinhardt

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## SCHEDULE "A"

### Schedule of Lenders

Loan Number: 18-1216-EGR

Provident Trust Group FBO Andris Benis - IRA 3203493

As to a .5103 % interest

Provident Trust Group FBO Brian Elis -ROTH IRA 3703416

As to a 4.0008 % interest

Provident Trust Group FBO Evi Brock -ROTH IRA 3703406 As

to a .8083 % interest

Provident Trust Group FBO Klara Benis - IRA 340 1800

As to a 8.4099 % interest

Provident Trust Group FBO Lena Elis - IRA 3001850

As to a 2.8251 % interest

Provident Trust Group FBO Lena Elis - Roth-IRA 3203392

As to a 17.9140 % interest

Provident Trust Group FBO Michael Elis - Roth-IRA 3703417

As to a .7227 % interest

Provident Trust Group FBO Paul Elis -- IRA 3001852

As to a 27.5568 % interest

Provident Trust Group FBO Paul Elis -- Roth-IRA 3203393 As

to a 12.8721 % interest

Provident Trust Group FBO Rhonda Weisheit -- Roth-IRA 3203437

As to a .7063 % interest

Provident Trust Group FBO Ronald Weisheit - Roth-IRA 3703452 As to

a 4.0907 % interest

Provident Trust Group FBO Ronald Weisheit- Roth inherited IRA 3303419

As to a 1.6330 % interest

Provident Trust Group FBO Wendy Elis - Roth-IRA 3 7034 18

As to a 3.1354 % interest

LE- I, LP

As to a 14.8146 % interest