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## Illinois Anti-Predatory Lending Database Program

### Certificate of Exemption



Report Mortgage Fraud  
844-768-1713



\*1817316048\*

Doc# 1817316048 Fee \$108.00

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

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 06/22/2018 02:55 PM PG: 1 OF 36

The property identified as: **PIN:** 17-06-200-027-0000

**Address:**

**Street:** 1913-19 WEST NORTH AVENUE

**Street line 2:**

**City:** CHICAGO

**State:** IL

**ZIP Code:** 60622

**Lender:** MB FINANCIAL BANK, N.A., A NATIONAL BANKING ASSOCIATION

**Borrower:** JFS 1913-19 NORTH AVENUE, LLC

**Loan / Mortgage Amount:** \$2,650,000.00

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

**Certificate number:** B9EA1765-9AAE-4CAF-9813-C876A2ACF996

**Execution date:** 6/21/2018

CCRD REVIEW

A handwritten signature in black ink, appearing to be "JL".

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This instrument was prepared by  
and, after recording, return to

Barry R. Katz, Esq.  
SAUL EWING ARNSTEIN  
& LEHR LLP  
161 NORTH CLARK STREET  
Suite 4200  
Chicago, IL 60601

40039031 (1 OF 3)

Permanent Real Estate Tax Index No.:

17-06-200-027-0000

17-06-200-028-0000

17-06-200-029-0000

Address:

1913-19 West North Avenue, Chicago, IL 60622

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

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (this "Mortgage") is made as of June 21, 2018 by JFS 1913-19 NORTH AVENUE, LLC, an Illinois limited liability company ("Mortgagor"), in favor of MB FINANCIAL BANK, N.A., a national banking association, its successors and assigns ("Mortgagee").

**RECITALS**

Mortgagor is justly indebted to Mortgagee in the principal sum of Two Million Six Hundred Fifty Thousand and No/100 Dollars (\$2,650,000.00), as evidenced by a certain Promissory Note (the "Note") of even date herewith made by Mortgagor and payable to the order of and delivered to Mortgagee, in and by which said Note the Mortgagor promises to pay the said principal sum and interest in the manner and at the rates as provided therein.

The unpaid principal amount and all accrued and unpaid interest due under the loan ("Loan") as described in that certain Mortgage Loan Agreement of even date herewith by and between Mortgagor and Mortgagee ("Loan Agreement"), as evidenced by the Note, if not sooner

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paid, shall be due and payable in full on June 15, 2023 (the "Maturity Date"). All such payments on account of the indebtedness evidenced by the Note shall be first applied to interest on the unpaid principal balance and the remainder to principal and all of said principal and interest being made payable at such place as the holder of the Note may from time to time in writing appoint, and in the absence of such appointment, then at the office of Mortgagee, at the address indicated above or at such other address as Mortgagee may from time to time designate in writing. Any capitalized term used herein and not defined herein shall have the meaning set forth in the Loan Agreement, as if fully set forth herein.

ACCORDINGLY, Mortgagor, to secure: (i) the payment of said principal sum of money and all interest, late charges and other indebtedness evidenced by the Note and by any extensions, renewals or refinancings thereof; (ii) the performance and observance of the covenants, terms, conditions and agreements contained in the Note, this Mortgage and the Loan Documents (as hereinafter defined); (iii) the obligations and liabilities of the Mortgagor to the Mortgagee under and pursuant to any interest rate, currency or commodity swap agreement, cap agreement or collar agreement, executed by and between the Mortgagor and the Mortgagee from time to time, if any (collectively, "Interest Rate Agreements"); and (iv) the reimbursement of Mortgagee for any and all sums expended or disbursed by Mortgagee pursuant to any term or provision of or constituting additional indebtedness under or secured by this Mortgage, any of the Loan Documents or any Interest Rate Agreements, with interest thereon as provided herein or therein; and also in consideration of the sum of TEN DOLLARS (\$10.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents MORTGAGE, GRANT, ASSIGN, REMISE, RELEASE, WARRANT AND CONVEY unto Mortgagee, its successors and assigns, the real estate and all of Mortgagor's estate, right, title and interest therein situate, legally described in **Exhibit A** attached hereto and made a part hereof (together with the property hereinafter described, is collectively referred to herein as the "Premises");

TOGETHER with all buildings and improvements now or hereafter constructed upon or erected upon or located on the real estate legally described in **Exhibit A** attached hereto, all tenements, easements, rights-of-way and rights used as a means of access thereto, all fixtures and appurtenances thereto now or hereafter belonging or pertaining to the real estate legally described in **Exhibit A** attached hereto, and all rents, issues, royalties, income, proceeds, profits, letter-of-credit rights (as defined in the Code hereinafter defined) and other benefits thereof with respect to the Premises, and any after-acquired title, franchise, or license and the reversions or remainders thereof with respect to the Premises, other than personal property owned by lessees of the Premises, for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), and, to the extent of Mortgagor's interest therein, all shades, awnings, venetian blinds, screens, screen doors, storm doors and windows, stoves and ranges, refrigerators, curtain and drapery fixtures, partitions, attached floor covering, now or hereafter therein or thereon, and all fixtures, apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing); all fixtures, apparatus, equipment and articles, it being understood that the enumeration of any

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specific articles of property shall in no way exclude or be held to exclude any items of property not specifically mentioned;

TOGETHER WITH all of Mortgagor's right, title and interest in and to: (i) all agreements, licenses, permits, contracts and easement fees to which Mortgagor is or may become a party and which relate solely to the Premises; (ii) all obligations and indebtedness owed to Mortgagor thereunder; (iii) all intellectual property related solely to the Premises; and (iv) all choses in action and causes of action relating solely to the Premises;

TOGETHER WITH all proceeds of the foregoing, including, without limitation, all judgments, awards of damages and settlements hereafter made resulting from condemnation proceeds or the taking of the Premises or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance, maintained with respect to the Premises or proceeds of any sale, option or contract to sell the Premises or any portion thereof.

All of the land, estate and real property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared, to the maximum extent permitted by law, to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall be for the purposes of this Mortgage deemed to be real estate and conveyed and mortgaged hereby and any property deemed to form a part and parcel of the real estate and which constitutes a "fixture" (within the meaning of Section 9-102(41) of the Uniform Commercial Code of Illinois (the "Code"), as amended and in effect from time to time), this Mortgage is hereby deemed to also be a Security Agreement under the Code for purposes of granting a security interest in the fixtures, which Mortgagor hereby grant to Mortgagee, as Secured Party (as defined in the Code), as more particularly provided in Section 37 of this Mortgage.

TO HAVE AND TO HOLD the Premises unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, together with all right to possession of the Premises after any Event of Default (as hereinafter defined); Mortgagor hereby RELEASING AND WAIVING all rights under and by virtue of the homestead exemption laws of the State of Illinois.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. **Title.**

Mortgagor represents and covenants that Mortgagor is the holder of the fee simple title to the Premises, free and clear of all liens and encumbrances, except Permitted Encumbrances under the Loan Agreement, and (b) Mortgagor has legal power and authority to mortgage and convey the Premises.

2. **Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, etc.**

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Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (b) keep the Premises in good condition and repair, ordinary wear and tear excepted, without waste, and free from mechanics' liens or other liens or claims for lien except that Mortgagor shall have the right to contest by appropriate proceedings diligently prosecuted the validity or amount of any such lien if and only if Mortgagor shall within thirty (30) days after the filing thereof (1) place a bond with Mortgagee in an amount, form, content and issued by a surety reasonably acceptable to Mortgagee for the payment of any such lien or (2) cause the title company which has issued the loan policy of title insurance to Mortgagee insuring the lien of this Mortgage to issue an endorsement thereto insuring against loss or damage on account of any such lien; (c) subject to the right to contest as set forth in (b) above, immediately pay when due any indebtedness which may be secured by a lien or charge on the Premises superior or inferior to or at parity with the lien hereof (no such superior, inferior or parity lien to be permitted hereunder), and upon request exhibit satisfactory evidence of the discharge of any such lien to Mortgagee; (d) complete within a reasonable time any buildings or any other improvements now or at any time in process of construction upon the Premises; (e) comply with all requirements of law, municipal ordinances and restrictions of record with respect to the Premises and the use and development thereof, including without limitation, those relating to building, zoning, environmental protection, health, fire and safety; (f) except as otherwise expressly permitted by the Loan Documents, make no structural or non-structural alterations to the Premises or any buildings or other improvements now or hereafter constructed thereon, without the prior written consent of Mortgagee; (g) suffer or permit no change in the general nature of the occupancy of the Premises, without the prior written consent of Mortgagee; (h) initiate or acquiesce in no zoning reclassification without the prior written consent of Mortgagee; (i) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of the Note subject to the cure provisions provided herein and therein; and (j) duly perform and observe all of the covenants, terms, provisions and agreements herein, in the Note, the Loan Agreement or in the Loan Documents on the part of Mortgagor to be performed and observed subject to the cure provisions provided herein and therein. As used in this Section and elsewhere in this Mortgage, the term "indebtedness" shall mean and include the principal sum evidenced by the Note, together with all interest thereon and all other amounts payable to Mortgagee thereunder, and all other sums at any time secured by this Mortgage.

### 3. Payment of Taxes and Assessments.

Mortgagor shall pay before any penalty or interest attaches all general taxes, special taxes, special assessments, water charges, sewer service charges, and all other liens or charges levied or assessed against the Premises, or any interest therein (all herein generally called "Taxes"), of any nature whatsoever when due, and shall furnish to Mortgagee duplicate receipts of payment therefor. If any special assessment is permitted by applicable law to be paid in installments, Mortgagor shall have the right to pay such assessment in installments, so long as all such installments are paid on or prior to the due date thereof. Notwithstanding anything contained herein to the contrary, Mortgagor shall have the right to protest any Taxes assessed against the Premises, so long as such protest is conducted in good faith by appropriate legal

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proceedings diligently prosecuted and Mortgagor shall furnish to the title insurer such security or indemnity as said insurer requires to induce it to issue an endorsement, in form and substance acceptable to Mortgagee, insuring over any exception created by such protest.

#### 4. Tax Deposits.

The Mortgagor shall deposit with the Mortgagee, on the first day of each month until the indebtedness is fully paid, a sum equal to one-twelfth (1/12<sup>th</sup>) of one hundred ten percent (110%) of the most recent ascertainable annual Taxes on the Premises. If requested by the Mortgagee, the Mortgagor shall also deposit with the Mortgagee an amount of money which, together with the aggregate of the monthly deposits to be made pursuant to the preceding sentence as of one month prior to the date on which the next installment of annual Taxes for the current calendar year become due, shall be sufficient to pay in full such installment of annual Taxes, as estimated by the Mortgagee. Such deposits are to be held without any allowance of interest and are to be used for the payment of Taxes next due and payable when they become due. So long as no Event of Default shall exist, the Mortgagee shall either, at its option, pay such Taxes when the same become due and payable (upon submission of appropriate bills therefor from the Mortgagor), or release sufficient funds to the Mortgagor for the payment thereof. If the funds so deposited are insufficient to pay any such Taxes for any year (or installments thereof, as applicable) when the same shall become due and payable, the Mortgagor shall, within ten (10) days after receipt of written demand therefor, deposit additional funds as may be necessary to pay such Taxes in full. If the funds so deposited exceed the amount required to pay such Taxes for any year the excess shall be applied toward subsequent deposits. Said deposits need not be kept separate and apart from any other funds of the Mortgagee. The Mortgagee, in making any payment authorized hereby relating to Taxes, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof. Sums deposited with the Mortgagee pursuant to this Section 4 and otherwise shall hereinafter be referred collectively to as the "Deposits".

#### 5. Mortgagee's Interest In and Use of Deposits.

If an "Event of Default" (as hereinafter defined) is continuing pursuant to any of the provisions contained in this Mortgage or the Note secured hereby, the Mortgagee may at its option, without being required so to do, apply the Deposits in such order and manner as Mortgagee may elect. If such Deposits are used to cure an Event of Default or pay any of the indebtedness secured hereby, the Mortgagor shall immediately, upon demand by the Mortgagee, deposit with the Mortgagee an amount equal to the amount expended by the Mortgagee from the Deposits. When the indebtedness secured hereby has been fully paid, any remaining Deposits under this Section 5 shall be promptly paid to Mortgagor. Such Deposits are hereby pledged as additional security for the indebtedness hereunder and shall be irrevocably applied by Mortgagee for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor; provided, however, that Mortgagee shall not be liable for any failure to apply to the payment of Taxes any amount so deposited unless Mortgagor, while an Event of Default is not continuing hereunder, shall have requested Mortgagee in writing to make application of such

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funds to the payment of which they were deposited, accompanied by the bills for such Taxes. Mortgagee shall not be liable for any act or omission taken in good faith or pursuant to the instruction of Mortgagor, any appropriate taxing authority or insurer.

## 6. Insurance.

(a) Mortgagor shall at all times keep all buildings, improvements, fixtures and articles of personal property owned by Mortgagor now or hereafter situated on the Premises insured against loss or damage by fire and such other hazards as may reasonably be required by Mortgagee including without limitation: (a) all risk fire and extended coverage insurance, with vandalism and malicious mischief endorsements, for the full replacement value of all buildings, improvements, fixtures and articles of personal property owned by Mortgagor now or hereafter situated on the Premises, with agreed upon amount and inflation guard endorsements; (b) rent and rental value or business loss insurance for the same perils described in (a) above payable at the rate per month and for the period specified from time to time by Mortgagee; (c) broad form boiler and sprinkler damage insurance in an amount reasonably satisfactory to Mortgagee, if and so long as the Premises shall contain a boiler and sprinkler system, respectively; (d) if the Premises are located in a flood hazard district, flood insurance in the maximum amount obtainable up to the amount of the indebtedness hereby secured; and (e) such other insurance as Mortgagee may from time to time reasonably require as specified in the Loan Agreement. Mortgagee's initial requirements as to insurance are set forth on **Exhibit B** attached hereto. Mortgagor also shall at all times maintain comprehensive public liability, property damage and workers' compensation insurance covering the Premises and any employees thereof, with such limits for personal injury, death and property damage as Mortgagee may reasonably require. All policies of insurance to be furnished hereunder shall be in forms, companies, amounts and deductibles reasonably satisfactory to Mortgagee, with mortgagee clauses attached to all policies in favor of and in form satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to Mortgagee and shall contain endorsements that no act or negligence of the insured or any occupant and no occupancy or use of the Premises for purposes more hazardous than permitted by the terms of the policies will affect the validity or enforceability of such policies as against Mortgagee. Mortgagor shall deliver all policies, including additional and renewal policies, or certificates thereof, to Mortgagee and, in the case of insurance about to expire, shall deliver renewal policies or certificates not less than ten (10) days prior to their respective dates of expiration.

(b) Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a standard mortgage clause acceptable to Mortgagee. Mortgagor immediately shall notify Mortgagee whenever any such separate insurance is taken out and promptly shall deliver to Mortgagee the policy or policies of such insurance.

(c) Unless the Mortgagor provides the Mortgagee evidence of the insurance coverages required hereunder, the Mortgagee may, at its option, purchase insurance at the Mortgagor's expense to cover the Mortgagee's interest in the Premises. The insurance may, but

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need not, protect the Mortgagor's interest. The coverages that Mortgagee purchases may not pay any claim that the Mortgagor makes or any claim that is made against the Mortgagor in connection with the Premises. The Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that the Mortgagor has obtained insurance as required by this Mortgage. If Mortgagee purchases insurance for the Premises, the Mortgagor will be responsible for the costs of such insurance, including, without limitation, interest and any other charges which Mortgagee 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 cost of the insurance may be more than the cost of insurance the Mortgagor may be able to obtain on its own.

(d) In the event of loss (a "Loss"), Mortgagor shall give immediate notice to Mortgagee, who may make proof of loss if not made promptly by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for any such Loss directly to Mortgagee instead of to Mortgagor and Mortgagee jointly. Any insurance proceeds so received by Mortgagee, or any part thereof, shall be applied by Mortgagee, after the payment of all of Mortgagee's expenses, including costs and reasonable attorneys' fees, as provided in Section 22 hereof. In the event of foreclosure of this Mortgage, all right, title and interest of Mortgagor in and to any insurance policies then in force shall pass to the purchaser at the foreclosure sale. Mortgagor shall furnish Mortgagee, without cost to Mortgagee, at the request of Mortgagee, from time to time, evidence of the replacement value of the Premises.

## 7. Condemnation.

If all or any part of the Premises are damaged, taken or acquired, either temporarily or permanently, in any condemnation proceeding, or by exercise of the right of eminent domain, the amount of any award or other payment for such taking or damages made in consideration thereof, to the extent of the full amount of the remaining unpaid indebtedness secured by this instrument, is hereby assigned to Mortgagee, who is empowered to collect and receive the same and to give proper receipts therefor in the name of Mortgagor and the same shall be paid forthwith to Mortgagee. Such award or monies shall be applied on account of the indebtedness secured hereby, irrespective of whether such indebtedness is then due and payable and, at any time from and after the taking Mortgagee may declare the whole of the balance of the Note plus any Prepayment to be due and payable. Notwithstanding the provisions of this Section 7 to the contrary, if any condemnation or taking of less than the entire Premises occurs and provided that no Event of Default and no event or circumstance which with the passage of time, the giving of notice or both would constitute an Event of Default then exists, and if such partial condemnation, in the reasonable discretion of the Mortgagee, has no material adverse effect on the operation or value of the Premises, then the award or payment for such taking or consideration for damages resulting therefrom may be collected and received by the Mortgagor, and Mortgagee hereby agrees that in such event it shall not declare the Note to be due and payable, if it is not otherwise then due and payable. Any application to the unpaid principal balance of the Note pursuant to this Section 7 shall not extend the due date or reduce the amount of the principal and interest installments required to be paid under the Note.



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## 8. Stamp Tax.

If, by the laws of the United States of America, or of any state or political subdivision having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the execution and delivery of this Mortgage or any other Loan Document or the issuance of the Note hereby secured, Mortgagor covenants and agrees to pay such tax in the manner required by any such law. Mortgagor further covenants to reimburse Mortgagee for any sums which Mortgagee may extend by reason of the imposition of any tax on the issuance of the Note secured hereby. Notwithstanding the foregoing, Mortgagor shall not be required to pay any income or franchise taxes of Mortgagee.

## 9. Observance of Lease Assignment.

As additional security for the payment of the Note and for the faithful performance of the terms and conditions contained herein, Mortgagor, as lessor, has assigned to Mortgagee the entire lessor's right, title and interest in and to all leases and subleases (including all extensions and renewals thereof), which now or hereafter affect all or any portion of the Premises and in and to all rents, issues, income and profits of or from all or any portion of the Premises pursuant to the Assignment of Rents and Leases of even date herewith (the "Assignment"). It is covenanted and agreed that a default remaining uncured after the expiration of any applicable cure periods expressly provided for under the Assignment shall constitute an Event of Default hereunder on account of which the whole of the indebtedness secured hereby shall at once, at the option of Mortgagee, become immediately due and payable without notice to Mortgagor.

## 10. Effect of Extensions of Time.

If the payment of said indebtedness or any part thereof be extended or varied or if any part of any security for the payment of the indebtedness be released, all persons now or at any time hereafter liable therefor, or interested in the Premises or having an interest in Mortgagor, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release.

## 11. Effect of Changes In Laws Regarding Taxation.

In the event of the enactment after this date of any law of the state in which the Premises are located deducting from the value of the land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to adversely affect this Mortgage or the indebtedness secured hereby or the holders thereof, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall indemnify and hold Mortgagee harmless from and against any and all losses and costs resulting from such taxes or assessments, or reimburse Mortgagee therefor; provided, however, that Mortgagor shall not be deemed to be required to pay any income or

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franchise taxes of Mortgagee. Notwithstanding the foregoing, if in the reasonable opinion of counsel for Mortgagee (a) it might be unlawful to require Mortgagor to make such payment or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

12. **Mortgagee's Performance of Defaulted Acts and Expenses Incurred by Mortgagee.**

During the continuance of an Event of Default, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner reasonably deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or consent to any tax or cure any default of Mortgagor in any lease of the Premises. During the continuance of an Event of Default, Mortgagee may, but shall not be required to, complete construction, furnishing and equipping of any uncompleted buildings or other improvements now or at any time hereafter on the Premises, and rent, operate and manage the Premises and such buildings and improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises and such buildings and improvements shall be operational and usable for their intended purposes. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other monies disbursed by Mortgagee in regard to any tax referred to in Section 3 above or to protect the Premises or the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable with notice and with interest thereon at the Default Rate (as defined in the Note). In addition to the foregoing, any costs, expenses and fees reasonably incurred, including reasonable attorneys' fees, incurred by Mortgagee in connection with (a) sustaining the lien of this Mortgage or its priority, (b) protecting and enforcing any of Mortgagee's rights hereunder, (c) recovering any indebtedness secured hereby, (d) any litigation or proceedings affecting the Note, this Mortgage, the Premises or any guarantor or co-maker of the Note or this Mortgage, including without limitation, bankruptcy and probate proceedings, or (e) preparing for the commencement, defense or participation in any threatened litigation or proceedings, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable with notice and with interest thereon at the Default Rate. The interest accruing under this Section 12 shall be immediately due and payable by Mortgagor to Mortgagee, and shall be additional indebtedness evidenced by the Note and secured by this Mortgage. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor. Should the proceeds of the Note or any part thereof, or any amount paid out or disbursed by Mortgagee hereunder, or pursuant to any agreement executed by Mortgagor in connection with the loan evidenced by the Note, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any lien or encumbrance upon the Premises or any part thereof, then as additional security hereunder, Mortgagee shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by

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any owner or holder of said outstanding liens, charges and indebtedness, however remote, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment. Notwithstanding anything contained herein to the contrary, in no event shall the indebtedness secured by this Mortgage exceed an amount equal to Five Million Three Hundred Thousand and No/100 Dollars (\$5,300,000.00).

### 13. Mortgagee's Reliance on Tax Bills and Claims for Liens.

Mortgagee in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any current bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted, provided that if no Event of Default is continuing hereunder, Mortgagee shall give to Mortgagor ten (10) business days' prior written notice thereof.

### 14. Acceleration of Indebtedness in Event of Default.

Each of the following shall constitute an "Event of Default" for purposes of this Mortgage:

(a) Mortgagor fails to pay (i) on the date when due any installment of principal or interest payable pursuant to the Note, or (ii) within ten (10) days after notice, any other amount payable pursuant to the Note, this Mortgage, the Loan Agreement or any of the other Loan Documents;

(b) Failure by Mortgagor or any Guarantor to promptly perform or cause to be performed any other obligation or observe any other condition, covenant, term, agreement or provision required to be performed or observed by Mortgagor under this Mortgage, the Loan Agreement, the Note or any other Loan Document, within thirty (30) days after written notice from Mortgagee or if such condition is of such a character as reasonably require more than thirty (30) days to cure, Mortgagee shall have such reasonable additional time to cure the default provided Mortgagee has commenced to cure the same within said thirty (30) day period and is diligently and continuously pursuing said cure, which default shall in any event be corrected within ninety (90) days after delivery of the above-required written notice specifying such default;

(c) The existence of any material inaccuracy or untruth in any representation, covenant or warranty contained in this Mortgage, the Loan Agreement or any of the other Loan Documents, or in any statement or certification as to facts delivered to Mortgagee by Mortgagor, Guarantor, any co-maker of the Note, or any applicant for the loan evidenced by the Note;

(d) At any time, Mortgagor or the Guarantor or any co-maker of the Note for itself files a voluntary petition in bankruptcy or is adjudicated a bankrupt or insolvent, or

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institutes (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, composition, readjustment, dissolution, liquidation or similar proceedings under any present or future Federal, state or other statute or law, or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of its creditors, or seeks or consents to the appointment of any receiver, trustee or similar officer for all or substantially all of its property;

(e) The commencement of any involuntary petition in bankruptcy against Mortgagor or the Guarantor or any co-maker of the Note, or the institution against Mortgagor or the Guarantor or any co-maker of the Note of any reorganization, arrangement, composition, readjustment, dissolution, liquidation or similar proceedings under any present or future federal, state or other statute or law, or the appointment of a receiver, trustee or similar officer for all or substantially all of the property of Mortgagor or the Guarantor or any co-maker of the Note, which shall remain undischarged for a period of sixty (60) days;

(f) Any sale, transfer, lease, assignment, conveyance, financing, lien or encumbrance made in violation of Section 27 of this Mortgage; or

(g) There shall exist or be continuing an "Event of Default" under: (i) the Note, (ii) the Loan Agreement, (iii) the Guaranty and (iv) any other document or instrument evidencing or securing the Note or delivered to induce Mortgagee to disburse the proceeds thereof (the documents described in sections (i) through (iv) above, both inclusive, together with this Mortgage, being hereinafter collectively referred to as the "Loan Documents").

If an Event of Default occurs, Mortgagee may, at its option, declare the whole of the indebtedness hereby secured to be immediately due and payable as provided in this Section 14 to Mortgagor, with interest thereon from the date of such Event of Default at the Default Rate. If while any insurance proceeds or condemnation awards are being held by Mortgagee to reimburse Mortgagor for the cost of rebuilding or restoration of buildings or improvements on the Premises, as set forth in Section 22 hereof, Mortgagee shall be or become entitled to, and shall accelerate the indebtedness secured hereby, then and in such event, Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by it in reduction of the indebtedness hereby secured and any excess held by it over the amount of indebtedness then due hereunder shall be returned to Mortgagor or any party entitled thereto without interest.

## 15. Foreclosure; Expense of Litigation.

When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof and/or exercise any right, power or remedy provided in this Mortgage or any of the other Loan Documents. It is further agreed that if an Event of Default is continuing in the payment of any part of the secured indebtedness, as an alternative to the right of foreclosure for the full secured indebtedness after acceleration thereof, Mortgagee shall have the right to institute partial foreclosure proceedings with respect to the portion of said

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indebtedness so in default, as if under a full foreclosure, and without declaring the entire secured indebtedness due (such proceeding being hereinafter referred to as a “partial foreclosure”), and provided that if foreclosure sale is made because of an Event of Default of a part of the secured indebtedness, such sale may be made subject to the continuing lien of this Mortgage for the unmatured part of the secured indebtedness; and it is agreed that such sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the unmatured part of the secured indebtedness, but as to such unmatured part of this Mortgage, the lien hereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this paragraph. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Mortgagee may elect at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate the secured indebtedness by reason of any uncured default or defaults upon which such partial foreclosure was predicated or by reason of any other defaults, and proceed with full foreclosure proceedings. It is further agreed that several foreclosure sales may be made pursuant to partial foreclosures without exhausting the right of full or partial foreclosure sale for any unmatured part of the secured indebtedness, it being the purpose to provide for a partial foreclosure sale of the secured indebtedness without exhausting the power to foreclose and to sell the Premises pursuant to any such partial foreclosure for any other part of the secured indebtedness whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure. In the event of a foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at such sale, or to take such other steps as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

In any suit to foreclose or partially foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all out-of-pocket expenditures and expenses which may be reasonably paid or incurred by or on behalf of Mortgagee for reasonable attorneys’ fees, appraisers’ fees, outlays for documentary and expert evidence, stenographers’ charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned and such expenses and fees as may be reasonably incurred in the enforcement of Mortgagor’s obligations hereunder, the protection of said Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note, or the Premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate and shall be secured by this Mortgage.

16. **Application of Proceeds of Foreclosure Sale.**

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The proceeds of any foreclosure (or partial foreclosure) sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 15 hereof; second, all other items which may 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; fourth, satisfaction of claims in order of priority adjudicated in the judgment of foreclosure or order confirming the sale; and fifth, any surplus to Mortgagor, its successors or assigns, as its rights may appear.

17. **Appointment of Receiver.**

Upon, or at any time after the filing of a complaint to foreclose (or partially foreclose) this 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 Mortgagor at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his, her or its hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any decree foreclosing this 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; and (b) the deficiency in case of a sale and deficiency.

18. **Mortgagee's Right of Possession in Case of Default.**

In any case in which under the provisions of this Mortgage Mortgagee has a right to institute foreclosure proceedings, Mortgagor shall forthwith and upon written demand of Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take, actual possession of the Premises or any part thereof personally, or by its agents or attorneys. Mortgagee's rights and remedies under this Section 18 shall be effective whether before or after the whole principal sum secured hereby is declared to be immediately due and payable hereunder, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder. In the event Mortgagee is entitled to take possession of the Premises, Mortgagee in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of said Premises, together with all documents, books, records, papers and accounts of Mortgagor or the then owner of the Premises relating thereto, and may exclude Mortgagor or its employees, agents or servants, wholly therefrom. In such case Mortgagee, under the powers herein granted, may hold, operate, manage and control the

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Premises and conduct the business, if any, thereof, either personally or by its agents. Mortgagee shall have 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 avails, rents, issues, and profits of the Premises, including actions for the recovery of rent, actions, in forcible detainer and actions in distress for rent. Without limiting the generality of the foregoing, Mortgagee shall have full power:

(a) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same;

(b) to elect to disaffirm any lease or sublease which is then subordinate to the lien hereof;

(c) to extend or modify any then existing leases and to enter new leases, which extensions, modifications and leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness secured hereby and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser;

(d) to make any repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises as to it may seem judicious;

(e) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and

(f) to receive all of such avails, rents, issues and profits; hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter without notice to Mortgagor.

Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any lease. To the extent provided by law, Mortgagor shall and does hereby agree to protect, indemnify, defend and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases except for such claims and demands as result directly from the negligent or willful actions of Mortgagee. Should Mortgagee incur any such liability, loss or damage under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be

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so much additional indebtedness secured hereby, and shall become immediately due and payable on written demand and with interest at the Default Rate until paid.

19. **Application of Income Received by Mortgagee.**

Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it pursuant to the terms hereof, shall have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as Mortgagee may determine:

(a) to the payment of the operating expenses of the Premises, including cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases, established claims for damages, if any, and premiums on insurance hereinabove authorized);

(b) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises;

(c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Premises, including the cost from time to time of installing or replacing refrigeration and gas or electric stoves therein, and of placing the Premises in such condition as will, in the judgment of Mortgagee, make them readily rentable; and

(d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

20. **Rights Cumulative.**

Each right, power and remedy herein conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing under any of the Loan Documents or any other document given to secure the Note or at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

21. **Mortgagee's Right of Inspection.**



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Mortgagee and/or its representative shall have the right to inspect the Premises at all reasonable times during normal business hours on reasonable prior notice, and access thereto shall be permitted for that purpose; provided, however, no such inspection shall unreasonably interfere with the business or operations of Borrower and/or other tenants and occupants.

## 22. Disbursement of Insurance Proceeds.

(a) In the event any Loss exceeds One Hundred Thousand and 00/100 Dollars (\$100,000.00) (the "Threshold"), or if such Loss is equal to or less than the Threshold and the conditions set forth in clauses (i), (ii) and (iii) of the immediately succeeding subsection are not satisfied, then the Mortgagee, solely and directly shall receive such payment for Loss from each insurance company concerned. If and only if (i) such Loss is equal to or less than the Threshold, (ii) no Event of Default or event (other than the Loss itself) that with the passage of time, the giving of notice or both would constitute an Event of Default then exists, (iii) the Mortgagee determines in its reasonable discretion that the work required to complete the repair or restoration of the Premises necessitated by such Loss can be completed no later than six (6) months prior to the Maturity Date, and (iv) the total of the insurance proceeds and such additional amounts placed on deposit with the Mortgagee by the Mortgagor for the specific purpose of rebuilding or restoring the Premises equals or exceeds, in the reasonable discretion of the Mortgagee, the reasonable costs of such rebuilding or restoration, then the Mortgagee shall endorse to the Mortgagor any such payment and the Mortgagor may collect such payment directly. The Mortgagee shall have the right, at its option and in its sole discretion, to apply any insurance proceeds received by the Mortgagee pursuant to the terms of this section, after the payment of all of the Mortgagee's expenses, either (i) on account of the indebtedness secured hereby, irrespective of whether such principal balance is then due and payable, whereupon the Mortgagee may declare the whole of the balance of the Note, plus any Prepayment Premium to be due and payable, or (ii) to the restoration or repair of the property damaged as provided in subsection (d) below; provided, however, that the Mortgagee hereby agrees to permit the application of such proceeds to the restoration or repair of the damaged property, subject to the provisions of subsection (d) below, if (i) after giving effect to any Leases which have been or could be terminated, the Debt Service Coverage Ratio described in the Loan Agreement below shall be satisfied, (ii) the Mortgagee has received satisfactory evidence that such restoration or repair shall be completed no later than the date that is six (6) months prior to the Maturity Date, and (iii) no Event of Default, or event (other than the Loss itself) that with the passage of time, the giving of notice or both would constitute an Event of Default, then exists. If insurance proceeds are made available to the Mortgagor by the Mortgagee as hereinafter provided, the Mortgagor shall repair, restore or rebuild the damaged or destroyed portion of the Premises so that the condition and value of the Premises are substantially the same as the condition and value of the Premises prior to being damaged or destroyed. Any insurance proceeds applied on account of the unpaid principal balance of the Note shall not be subject to the Prepayment Premium described in the Note, unless there exists an Event of Default at the time of such application. In the event of foreclosure of this Mortgage, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser at the foreclosure sale.

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(b) If insurance proceeds are made available by the Mortgagee to the Mortgagor, the Mortgagor shall comply with the following conditions:

(i) Before commencing to repair, restore or rebuild following damage to, or destruction of, all or a portion of the Premises, whether by fire or other casualty, the Mortgagor shall obtain from the Mortgagee its approval of all site and building plans and specifications pertaining to such repair, restoration or rebuilding.

(ii) Prior to each payment or application of any insurance proceeds to the repair or restoration of the improvements upon the Premises to the extent permitted in subsection (a) above (which payment or application may be made, at the Mortgagee's option, through an escrow, the terms and conditions of which are satisfactory to the Mortgagee and the cost of which is to be borne by the Mortgagor), the Mortgagee shall be satisfied as to the following:

(A) no Event of Default or any event which, with the passage of time or giving of notice would constitute an Event of Default, has occurred;

(B) either the Premises have been fully restored, or the expenditure of money as may be received from such insurance proceeds will be sufficient to repair, restore or rebuild the Premises, free and clear of all liens, claims and encumbrances, except the lien of this Mortgage and the Permitted Exceptions, or if such insurance proceeds shall be insufficient to repair, restore and rebuild the Premises, the Mortgagor has deposited with the Mortgagee such amount of money which, together with the insurance proceeds shall be sufficient to restore, repair and rebuild the Premises; and

(C) prior to each disbursement of any such proceeds, the Mortgagee shall be furnished with a statement of the Mortgagee's architect (the cost of which shall be borne by the Mortgagor), certifying the extent of the repair and restoration completed to the date thereof, and that such repairs, restoration, and rebuilding have been performed to date in conformity with the plans and specifications approved by the Mortgagee and with all statutes, regulations or ordinances (including building and zoning ordinances) affecting the Premises; and the Mortgagee shall be furnished with appropriate evidence of payment for labor or materials furnished to the Premises, and total or partial lien waivers substantiating such payments.

(iii) If the Mortgagor shall fail to restore, repair or rebuild the Premises within a time deemed satisfactory by the Mortgagee, then the Mortgagee, at its option, may (A) commence and perform all necessary acts to restore, repair or

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rebuild the Premises for or on behalf of the Mortgagor, or (B) declare an Event of Default. If insurance proceeds shall exceed the amount necessary to complete the repair, restoration or rebuilding of the Premises, such excess shall be applied on account of the Note irrespective of whether the Note is then due and payable without payment of any premium or penalty.

23. **Release Upon Payment and Discharge of Mortgagor' Obligations; Partial Releases.**

Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby, including payment of reasonable expenses incurred by Mortgagee in connection with the execution of such release. Mortgagee may also issue partial releases of the lien of this Mortgage in accordance with and subject to the terms and conditions contained in the Loan Agreement. Such partial release shall not impair in any manner the validity or priority of this Mortgage on the portion of the Premises or the security remaining, nor release the personal liability of any person, persons or entity obligated to pay any indebtedness secured hereby, for the full amount of the indebtedness remaining unpaid.

24. **Notices.**

Any notice, request, demand, statement, authorization, approval, consent or acceptance made hereunder shall be in writing and shall be (a) hand delivered or (b) sent by overnight delivery via United Parcel Service or other reputable overnight courier service, or (c) sent by registered or certified mail, postage prepaid with return receipt requested, or (d) sent by facsimile (with a confirmatory duplicate copy sent by United Parcel Service or any other reputable overnight courier service for overnight delivery) and shall be deemed given (i) upon delivery, if delivered in person, (ii) one (1) business day after being deposited with United Parcel Service or any other reputable overnight courier service for overnight delivery, or (iii) three (3) business days after being postmarked if sent by registered or certified mail, return receipt requested in each case addressed as follows:

Mortgagor:	JFS 1913-19 North Avenue, LLC c/o Joseph F. Seigle 1621 N. Clybourn Avenue Chicago, Illinois 60614
with a copy to:	Jeffrey M. Friedman Ginsberg Jacobs LLC 300 South Wacker Drive, Suite 2750 Chicago Illinois 60606
Mortgagee:	MB Financial Bank, N.A. 6111 North River Road Rosemont, Illinois 60018 Attention: Stephen Gottesman, Vice President

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With a copy to:                                 Saul Ewing Arnstein & Lehr LLP  
   161 North Clark Street, Suite 4200  
   Chicago, Illinois 60601  
   Attention: Barry R. Katz, Esq.

Each party may designate a change of address or facsimile number by notice to the other party sent pursuant to this Section 24, given at least fifteen (15) days before such change of address is to become effective.

25.     **Waiver of Defenses.**

No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note hereby secured.

26.     **Waiver of Rights.**

Mortgagor hereby covenants and agrees that to the extent permitted by law, Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. To the extent permitted by law, Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Premises marshalled 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.

27.     **Transfer of Premises; Further Encumbrance.**

In determining whether or not to make the loan secured hereby Mortgagee examined the credit-worthiness of Mortgagor and Guarantor, found it acceptable and relied and continues to rely upon same as the means of repayment of the Note. Mortgagee also evaluated the background and experience of Mortgagor and the Guarantor in owning and operating property such as the Premises, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Premises which is Mortgagee's security for the Note. Mortgagor and Guarantor are well-experienced in borrowing money and owning and operating property such as the Premises, were ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby and bargained at arm's length and without duress of any kind for all of the terms and conditions of the loan, including this provision. Mortgagor recognizes that Mortgagee is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other than the original Mortgagor. Mortgagor further recognizes that any secondary, mezzanine or junior financing placed upon the Premises, other than as contemplated by the Loan Agreement, (a) may divert funds which would otherwise be used to pay the Note secured hereby; (b) could result in acceleration and

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foreclosure by any such junior encumbrancer which would force Mortgagee to take measures and incur expenses to protect its security; (c) would detract from the value of the Premises should Mortgagee come into possession thereof with the intention of selling same; and (d) would impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Premises.

In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security, both of repayment and of value of the Premises; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) allowing Mortgagee to raise the interest rate and collect assumption fees; and (iv) keeping the Premises or any interest in the Premises free of subordinate financing liens, Mortgagor and Guarantor agree that if this paragraph be deemed a restraint on alienation, that it is a reasonable one, and that, any sale, conveyance, assignment, further encumbrance or other transfer of title to the Premises, or any interest in the Premises, including without limitation, the entering into of an installment agreement for the sale of the Premises, the placement or granting of liens on all or any part of the Premises or the placement or granting of chattel mortgages, conditional sales contracts, financing or security agreements which would be or create a lien on the personal property utilized in the operation of the Premises, or the placement or granting of a mortgage commonly known as a "wrap around" mortgage or an improvement loan, without Mortgagee's prior written consent shall be an Event of Default hereunder. For the purpose of, and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events, without the prior written consent of Mortgagee, shall be deemed to be an unpermitted transfer of title to the Premises and therefore an Event of Default hereunder:

(a) except as provided in the Loan Agreement, any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, all or any part of the title to the Premises; or

(b) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, any interest in the Mortgagor which result in the Mortgagor not being directly controlled by Guarantor and/or which results in the encumbrance of any interest in the Mortgagor (except as otherwise expressly permitted by the Loan Agreement); or

(c) any transfer or the occurrence of any other event which results in a breach under the terms of the Loan Agreement; or

(d) Any direct membership interest in the Mortgagor shall be transferred assigned, or any security interest or other lien or encumbrance shall be created on any membership interest in the Mortgagor or on the proceeds of or distribution rights with respect to any such direct membership interest.

Notwithstanding anything contained herein to the contrary, however, the members of Mortgagor (each a "Member") shall have the right, upon the prior written consent of Mortgagee, which consent shall not be unreasonably withheld, to sell, convey and transfer all or any portion of their respective ownership interests in Mortgagor solely for estate planning purposes, to

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immediate family members of any Member or to estate planning trusts in which an immediate family member of a Member is the beneficiary.

Any consent by Mortgagee, or any waiver by Mortgagee of an Event of Default under this paragraph shall not constitute a consent to, or waiver of any right, remedy or power of Mortgagee upon a subsequent Event of Default under this Section 27. Mortgagor acknowledges that any agreements, liens, charges or encumbrances created in violation of the provisions of this Section 27 shall be void and of no force or effect.

## 28. Expenses Relating to Note and Mortgage.

Mortgagor will pay all reasonable expenses, charges, costs and fees reasonably incurred by Mortgagee relating to the Loan secured by this Mortgage or necessitated by the terms of the Note, this Mortgage or any of the other Loan Documents, including without limitation, Mortgagee's reasonable attorneys' fees in connection with the negotiation, documentation, administration, servicing, enforcement and closing of the Note, this Mortgage and the other Loan Documents, all filing, registration or recording fees, all other expenses incident to the execution and acknowledgment of this Mortgage and all federal, state, county and municipal taxes, and other taxes (provided Mortgagor shall not be required to pay any income or franchise taxes of Mortgagee), duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Note and this Mortgage, and all expenses, charges, and costs, including reasonable attorneys' fees, incurred by Mortgagee after the date hereof to enforce its rights and exercise its remedies under the Loan Documents or to negotiate and document any mutually agreed-upon amendments to the Loan Documents. Mortgagor recognizes that, during the term of the Mortgage, Mortgagee:

(a) May be involved in court or administrative proceedings, including, without restricting the foregoing, foreclosure, probate, bankruptcy, creditors' arrangements, insolvency, housing authority and pollution control proceedings of any kind, to which Mortgagee shall be a party by reason of the Loan Documents or in which the Loan Documents or the Premises are involved directly or indirectly;

(b) May make preparations during the existence of an Event of Default hereunder for the commencement of any suit for the foreclosure hereof, which may or may not be actually commenced;

(c) May make preparations during the existence of an Event of Default hereunder for, and do work in connection with, Mortgagee's taking possession of and managing the Premises, which event may or may not actually occur;

(d) May make preparations for and commence other private or public actions to remedy an Event of Default hereunder, which other actions may or may not be actually commenced;

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(e) May enter into negotiations with Mortgagor, Guarantor, or any of their respective agents, employees or attorneys, in connection with the existence or curing of any Event of Default hereunder, the sale of the Premises, the assumption of liability for any of the indebtedness represented by the Note or the transfer of the Premises in lieu of foreclosure; or

(f) May enter into negotiations with Mortgagor, Guarantor, or any of their respective agents, employees or attorneys, pertaining to Mortgagee's approval of actions taken or proposed to be taken by Mortgagor or Guarantor, which approval is required by the terms of this Mortgage.

All expenses, charges, costs and fees described in this Section 28 shall be so much additional indebtedness secured hereby, shall bear interest from the date so incurred until paid at the Default Rate and shall be paid, together with said interest, by Mortgagor forthwith upon demand.

29. **Business Purpose.**

Mortgagor covenants that the proceeds of the loan evidenced by the Note and secured by this Mortgage will be used for the purposes specified in 815 ILCS 205/4 (1994), as amended, and that the principal obligation secured hereby constitutes a business loan which comes within the purview of said paragraph.

30. **Financial Statements.**

Mortgagor shall cause to be delivered to Mortgagee such financial statements and other financial reports as required pursuant to the Loan Agreement.

31. **Statement of Indebtedness.**

Mortgagor, within ten (10) days after being so requested by Mortgagee in writing, shall furnish a duly acknowledged written statement setting forth the amount of the debt secured by this Mortgage, the date to which interest has been paid and stating either that no offsets or defenses exist against the Mortgage debt or, if such offsets or defenses are alleged to exist, the nature thereof.

32. **Further Instruments.**

Upon written request of Mortgagee, Mortgagor shall execute, acknowledge and deliver all such additional instruments and further assurances of title and shall do or cause to be done all such further acts and things as may reasonably be necessary fully to effectuate the intent of this Mortgage and of the other Loan Documents.

33. **Indemnity.**

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Mortgagor hereby covenants and agrees that no liability shall be asserted or enforced against Mortgagee in the exercise of the rights and powers granted to Mortgagee in this Mortgage, and Mortgagor hereby expressly waives and releases any such liability. Mortgagor shall indemnify and save Mortgagee harmless from and against any and all liabilities, obligations, losses, damages, claims, costs and expenses (including reasonable attorneys' fees and court costs) of whatever kind or nature which may be imposed on, incurred by or asserted against Mortgagee at any time by any third party which relate to or arise from: the making of the loan evidenced by the Note and secured by this Mortgage; any suit or proceeding (including probate and bankruptcy proceedings), or the threat thereof, in or to which Mortgagee may or does become a party, either as plaintiff or as a defendant, by reason of this Mortgage or for the purpose of protecting the lien of this Mortgage; the offer for sale or sale of all or any portion of the Premises; and/or the ownership, leasing, use, operation or maintenance of the Premises excluding gross negligence or willful misconduct of Mortgagee, its agents, employees and contractors. All costs provided for herein and paid for by Mortgagee shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest at the Default Rate.

34. **Waiver of Right of Redemption.**

Mortgagor hereby releases and waives any and all rights to retain possession of the Premises after the occurrence and continuation of an Event of Default hereunder and any and all rights of redemption from sale under any order or decree of foreclosure, pursuant to rights therein granted, on behalf of Mortgagor and each and every person acquiring any interest in, or title to, the premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by the provisions of 735 ILCS 5/15-1601 of the Illinois Compiled Statutes or other applicable law or replacement statutes.

35. **Miscellaneous.**

(a) **Successors and Assigns.**

This Mortgage and all provisions hereof shall be binding upon and enforceable against Mortgagor and its successors and permitted assigns, any subsequent owner or owners of the Premises who acquire the Premises subject to this Mortgage and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, as successor or assigns of Mortgagor, whether or not such persons shall have executed the Note or this Mortgage. This Mortgage and all provisions hereof shall inure to the benefit of Mortgagee, its successors and permitted assigns and any holder or holders, from time to time, of the Note.

(b) **Invalidity of Provisions.**

In the event one or more of the provisions contained in this Mortgage or the Note or in any security documents given to secure the payment of the Note secured hereby shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent



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jurisdiction, such invalidity, illegality or unenforceability shall at the option of Mortgagee, not affect any other provision of this Mortgage, and this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. This Mortgage and the Note it secures are to be construed and governed by the substantive laws of the State of Illinois.

(c) Municipal and Zoning Requirements.

Mortgagor shall not by act or omission permit any building or other improvement on premises which are not subject to the lien of this Mortgage to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises or any interest therein to be so used. Similarly, no building or other improvement on the Premises shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Mortgagor shall not by act or omission impair the integrity of the Premises as a single zoning lot separate and apart from all other premises. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this subparagraph shall be void.

(d) Rights of Tenants

Mortgagee shall have the right and option to commence a civil action to foreclose this Mortgage and to obtain a Decree of Foreclosure and Sale subject to the rights of any tenant or tenants of the Premises having an interest in the Premises prior to that of Mortgagee. The failure to join any such tenant or tenants of the Premises as party defendant or defendants in any such civil action or the failure of any Decree of Foreclosure and Sale to foreclose their rights shall not be asserted by Mortgagor as a defense in any civil action instituted to collect the indebtedness secured hereby, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Premises, any statute or rule of law at any time existing to the contrary notwithstanding.

(e) Option of Mortgagee to Subordinate.

At the option of Mortgagee, in its sole and absolute discretion, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases of all or any part of the Premises upon the execution by Mortgagee and recording thereof, at any time hereafter, in the Office of the Recorder of Deeds in and for the county wherein the Premises are situated, of a unilateral declaration to that effect.

(f) Use of Proceeds.

Mortgagor warrants that the proceeds evidenced by the Note secured hereby will not be used for the purchase of registered equity securities within the purview of Regulation G

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issued by the Board of Governors of the Federal Reserve System.

(g) Mortgagee in Possession.

Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Premises by Mortgagee pursuant to this Mortgage.

(h) Relationship of Mortgagee and Mortgagor.

Mortgagee shall in no event be construed for any purpose to be a partner, joint venturer, agent or associate of Mortgagor or of any beneficiary, lessee, operator, concessionaire or licensee of Mortgagor in the conduct of their respective businesses, and without limiting the foregoing, Mortgagee shall not be deemed to be such partner, joint venturer, agent or associate on account of Mortgagee becoming a Mortgagee in possession or exercising any rights pursuant to this Mortgage, any of the other Loan Documents, or otherwise.

(i) Time of the Essence.

Time is of the essence of the payment by Mortgagor of all amounts due and owing to Mortgagee under the Note and the performance and observance by Mortgagor of all terms, conditions, obligations and agreements contained in this Mortgage.

(j) No Merger.

It being the desire and intention of the parties hereto that the Mortgage and the lien thereof do not merge in fee simple title to the Premises, it is hereby understood and agreed that should Mortgagee acquire any additional or other interest in or to the Premises or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien thereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

(k) Value for Purposes of Insurance.

Upon request by Mortgagee, Mortgagor agrees to furnish evidence of replacement value, without cost to Mortgagee, of the type which is regularly and ordinarily made for insurance companies, with respect to the buildings and improvements on the Premises.

(l) Late Charges.

The Note requires the payment of a late charge in the event any installment of principal and/or interest due thereunder and/or any escrow fund payment for taxes and insurance due hereunder shall become overdue for a period in excess of ten (10) days. The Note requires the payment to Mortgagee of a late charge of five cents (5¢) for each dollar so overdue to defray part

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of the cost of collection. Said late charge shall be secured hereby as indebtedness as that term is defined in Section 2 hereof.

36. **Subordination of Commercial Broker's and Property Manager's Lien.**

Any commercial broker or property management agreement for the Premises entered into hereafter by Mortgagor with a property manager, shall contain a "no lien" provision whereby the property manager waives and releases any and all mechanics' lien rights that the property manager or anyone claiming by, through or under the property manager may have pursuant to 770 ILCS 60.01 (1994), as amended, of the Illinois Compiled Statutes. In addition, Mortgagor shall cause the property manager to enter into a Subordination of Management Agreement with Mortgagee, in recordable form, whereby the property manager subordinates present and future lien rights and those of any party claiming by, through or under the property manager, to the lien of this Mortgage.

37. **Security Agreement and Financing Statement.**

(a) Mortgagor and Mortgagee agree: (a) that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to all sums on deposit with Mortgagee pursuant hereto and pursuant to the Loan Agreement ("Deposits") and with respect to any property included in the definition herein of the word "premises" which property may not be deemed to form a part of the real estate described in Exhibit A attached hereto or may not constitute a "fixture" (within the meaning of Section 9-102(41) of the Code), and all replacements of such property, substitutions for such property, additions to such property, books and records relating to the Premises and operation thereof and the proceeds thereof and the "supporting obligations" (as defined in the Code) (said property, replacements, substitutions, additions and the proceeds thereof being sometimes herein collectively referred to as the "Collateral"); and (b) that a security interest in and to the Collateral and the Deposits is hereby granted to Mortgagee; and (c) that the Deposits and all of Mortgagor's right, title and interest therein are hereby collaterally assigned to Mortgagee; all to secure payment of the indebtedness hereby secured and to secure performance by Mortgagor of the terms, covenants and provisions hereof.

(b) During the existence of an Event of Default hereunder, Mortgagee shall have the remedies of a secured party under the Code, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose, so far as Mortgagor can give authority therefor, with or without judicial process, may enter upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the Code. Mortgagee may render the Collateral unusable without removal and may dispose of the Collateral on the Premises. Mortgagee may require Mortgagor to assemble the Collateral and make it available to Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Mortgagee will give Mortgagor at

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least ten (10) days' notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Mortgagor hereinafter set forth at least ten (10) days before the time of the sale or disposition. Mortgagee may buy at any public sale. Mortgagee may buy at private sale if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the Premises. If Mortgagee so elects, the Premises and the Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the reasonable attorneys' fees and legal expenses incurred by Mortgagee, shall be applied against the Indebtedness in such order or manner as Mortgagee shall select. Mortgagee will account to Mortgagor for any surplus realized on such disposition.

(c) Mortgagor agrees that, without the written consent of Mortgagee, Mortgagor will not remove or permit to be removed from the Premises any of the Collateral except that so long as no Event of Default is continuing hereunder, Mortgagor shall be permitted to sell or otherwise dispose of the Collateral when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Premises, but only upon replacing the same or substituting for the same other Collateral at least equal in value and utility to the initial value and utility of that disposed of and in such a manner that said replacement or substituted Collateral shall be subject to the security interest created hereby and that the security interest of Mortgagee shall be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the Collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby.

(d) Mortgagor shall, from time to time, upon written request of Mortgagee and at Mortgagor's sole cost, deliver to Mortgagee: (i) such further security documents and assurances as Mortgagee may reasonably require, to the end that the liens and security interests created hereby shall be and remain perfected and protected in accordance with the requirements of any present or future law; and (ii) an inventory of the Collateral in reasonable detail. Mortgagor represents and covenants that all Collateral now is, and that all replacements thereof, substitutions therefor or additions thereof, unless Mortgagee otherwise consents, will be free and clear of liens, encumbrances, title retention devices and security interests of others, except as permitted hereunder and/or as referenced in the Loan Agreement. If the Collateral is sold in connection with a sale of the Premises, Mortgagor shall notify Mortgagee prior to such sale and shall require as a condition of such sale that the purchaser specifically agree to assume Mortgagor's obligations as to the security interests herein granted and to execute whatever agreements and filings are deemed necessary by Mortgagee to maintain Mortgagee's first perfected security interest in the Collateral.

(e) This Mortgage is intended to be a financing statement within the purview of Section 9-502(b) of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Premises. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are set forth herein. This Mortgage is to be filed for

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recording with the Recorder of Deeds of the county where the Premises are located. Mortgagor is the record owner of the Premises and has rights in and the power to transfer the Collateral.

(f) Mortgagor hereby irrevocably authorizes Mortgagee at any time, and from time to time, to file in any jurisdiction any initial financing statements and amendments thereto that (i) indicate the Collateral as all assets of Mortgagor (or words of similar effect), regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed, or as being of an equal or lesser scope or within greater detail, and (ii) contain any other information required by Section 5 of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed regarding the sufficiency or filing office acceptance of any financing statement or amendment, including whether Mortgagor is an organization, the type of organization and any organization identification number issued to Mortgagor, and in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. Mortgagor agrees to furnish any such information to Mortgagee promptly upon request. Mortgagor further ratifies and affirms its authorization for any financing statements and/or amendments thereto, executed and filed by Mortgagee in any jurisdiction prior to the date of this Mortgage.

(g) Mortgagor represents and warrants that: (i) Mortgagor is the record owner of the Premises; (ii) Mortgagor's chief executive office is located in the State of Illinois; (iii) Mortgagor's state of formation as a limited liability company is the State of Illinois; and (iv) Mortgagor's exact legal name is as set forth herein

(h) Mortgagor agrees that:

(i) Where Collateral is in possession of a third party, Mortgagor will join with the Mortgagee in notifying the third party of the Mortgagee's interest and make reasonable efforts to obtain an acknowledgment from the third party that it is holding the Collateral for the benefit of Mortgagee;

(ii) Mortgagor will cooperate with the Mortgagee in obtaining control with respect to Collateral consisting of: deposit accounts, investment property, letter of credit rights and electronic chattel paper; and

(iii) Until the indebtedness secured hereby is paid in full, Mortgagor will not change the state where it is located or change its limited liability company name without giving the Mortgagee at least thirty (30) days' prior written notice in each instance.

## 38. Compliance with Environmental Laws.

Concurrently herewith the Mortgagor and the Guarantors have executed and delivered to the Mortgagee that certain Environmental Indemnity Agreement dated as of the date hereof (the "Indemnity") pursuant to which the Mortgagor and the Guarantors have indemnified the

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Mortgagee for environmental matters concerning the Premises, as more particularly described therein. The provisions of the Indemnity are hereby incorporated herein and this Mortgage shall secure the obligations of the Mortgagor thereunder.

## 39. Compliance with Illinois Mortgage Foreclosure Law.

(a) In the event that any provision of this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law 735 ILCS 5/15-1101 *et seq.* (1994), as amended (herein called the “Act”), the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

(b) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under any Section of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in Sections 12 or 15 of this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

(c) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law.

## 40. Consent to Jurisdiction.

**TO INDUCE MORTGAGEE TO ACCEPT THE NOTE, MORTGAGOR AND MORTGAGEE IRREVOCABLY AGREE THAT, SUBJECT TO MORTGAGEE’S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THE NOTE AND THIS MORTGAGE WILL BE LITIGATED IN COURTS HAVING SITUS IN CHICAGO, ILLINOIS. MORTGAGOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN CHICAGO, ILLINOIS, WAIVES PERSONAL SERVICE OF PROCESS UPON THE MORTGAGOR, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO MORTGAGOR AT THE ADDRESS STATED HEREIN AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.**

## 41. Waiver of Jury Trial.

**MORTGAGOR AND MORTGAGEE (BY ACCEPTANCE HEREOF), HAVING BEEN REPRESENTED BY COUNSEL EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS MORTGAGE OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE**

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**DELIVERED IN CONNECTION WITH THIS MORTGAGE OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. MORTGAGOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST MORTGAGEE OR ANY OTHER PERSON INDEMNIFIED UNDER THIS MORTGAGE ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.**

42. Counterparts. This Mortgage may be executed and delivered by any party hereto by way of counterpart, which, when taken together with all executed counterparts hereof shall constitute a single agreement; provided, however, that any counterpart, when taken separately from other counterparts shall be fully binding and enforceable as against the party signatory thereto, without respect to the other counterparts.

**(the balance of this page is intentionally left blank)**

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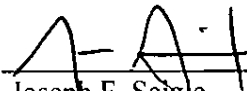
Mortgagor has executed this instrument the day and year first above written.

**MORTGAGOR:**

**JFS 1913-19 NORTH AVENUE, LLC**, an Illinois limited liability company

JFS Realty Capital LLC, an Illinois limited liability company

Its: Manager

By:  \_\_\_\_\_  
Joseph F. Seigle

Its: Manager

Property of Cook County Clerk's Office

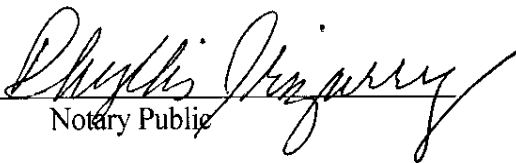


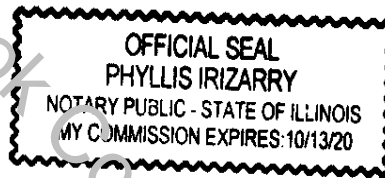
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STATE OF ILLINOIS       )  
  ) SS.  
COUNTY OF COOK        )

The undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Joseph F. Seigle, the Manager of **JFS Realty Capital LLC**, the **manager of JFS 1913-19 North Avenue, LLC**, each an Illinois limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such manager, he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said banking association, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 21<sup>ST</sup> day of JUNE, 2018.

  
\_\_\_\_\_  
Notary Public



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## EXHIBIT A

### Legal Description of the Property

LOTS 5, 6, 7, & 8 IN BLOCK 3 IN PICKET'S SECOND ADDITION TO CHICAGO, BEING LOT 4 OF ASSESSOR'S DIVISION OF PART OF THE NORTH 1/2 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Property Address: 1913-19 West North Avenue, Chicago, IL 60622

P.I.N.: 17-06-200-027-0000  
17-06-200-028-0000  
17-06-200-029-0000

COOK COUNTY  
RECORDER OF DEEDS

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## EXHIBIT B Insurance Requirements

[NOTE: UNDER REVIEW BY BORROWER'S INSURANCE TEAM.]

General and Access Liability Insurance (including workman's comp)	ACORD 25 Borrower must be named insured or additional insured Name bank as additional insured \$1,000,000 per occurrence and \$2,000,000 aggregate
Builder's Risk (Construction Loans) <b>NOTE:</b> Can be carried by borrower or general contractor (needs to be addressed)	ACORD 27 OR 28 Borrower must be named insured or additional insured Name bank as certificate holder, mortgagee and lender's loss payee Replacement Cost Coverage Property description must be on certificate
All Risk Insurance (to be received upon substantial completion)	ACORD 27 or 28 Borrower must be named insured or additional insured Name bank as certificate holder, mortgagee and lender's loss payee Replacement Cost Coverage Property description must be on certificate
Evidence of Property Coverage – All Business Assets	ACORD 27 Borrower named as insured or additional insured MB Financial Bank, NA as certificate holder Certificate holder must be named Lender's loss payee Replacement Cost
Loss of Income/Rents (income producing properties)	12 months coverage Borrower named as insured or additional insured MB Financial Bank, NA as certificate holder Certificate holder must be named Lender's loss payee
Machinery/Equipment	ACORD 27 Borrower named as insured or additional insured MB Financial Bank, NA as certificate holder Certificate holder must be named Lender's loss payee
Flood Insurance (If applicable)	Borrower named as insured or additional insured MB Financial Bank, NA as certificate holder Certificate holder must be named Lender's loss payee, Mortgagee

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	\$500,000 minimum (as defined by FEMA)
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Certificate should reflect the following:

- **MB Financial Bank, NA, 6111 North River Road, Attn: Loan Coordination, 9<sup>th</sup> Floor, Rosemont, IL 60018**
- **Notice of cancellation must be 30 days (when possible); 10 days for non-payment.**

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COOK COUNTY  
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