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Doc#: 2030504111 Fee: \$98.00
Edward M. Moody
Cook County Recorder of Deeds
Date: 11/02/2020 01:36 PM Pg: 1 of 44

Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



FIDELITY NATIONAL
TITLE INSURANCE

Report Mortgage Fraud

844-768-1713

SC18032324 of 4

The property identified as: PIN: 10-29-210-004-0000

Address:

Street: 7700-7770 Frontage Road

Street line 2:

City: Skokie

State: IL

ZIP Code: 60077

Lender: Jewish Federation of Metropolitan Chicago

Borrower: ACFR LLC

Loan / Mortgage Amount: \$8,250,000.00

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: AB05B932-C036-496C-AD11-F1FE993DFE3A

Execution date: 7/21/2020

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This Instrument Prepared by and to Returned to:

Melissa Vandewater
Seyfarth Shaw LLP
233 South Wacker Drive, Suite 8000
Chicago, Illinois 60606

Permanent Tax Index Numbers
and Address:

See Exhibit A

MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT

THIS MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT (this "**Mortgage**") dated as of July 21, 2020 (this "**Mortgage**"), is from **ACFR LLC**, an Illinois limited liability company (the "**Mortgagor**"), having an address of 4600 West Main Street, Skokie, Illinois 60076, as mortgagor, to **JEWISH FEDERATION OF METROPOLITAN CHICAGO**, an Illinois not-for-profit corporation, 30 S. Wells Street, Room 5010, Chicago, Illinois 60606, Attn: Chief Financial Officer (the "**Federation**"), as mortgagee.

I.

RECITALS

A. First Midwest Bank, an Illinois banking corporation ("**Bank**"), has agreed to loan the principal amount of Eight Million Two Hundred Fifty Thousand and 00/100 Dollars (\$8,250,000.00) (the "**Loan**") to Arie Crown Hebrew Day School, an Illinois not-for-profit corporation ("**Borrower**"), which Borrower is an affiliate of Mortgagor.

B. As a condition precedent to the Bank's extension of the Loan to Borrower, Bank required that Federation issue that certain keepwell letter dated as of the date hereof to Borrower (the "**Keepwell Arrangement**"; Federation's credit support obligations under the Keepwell Arrangement, the "**Keepwell Obligations**").

C. Mortgagor owns the real property commonly known as 7700-7770 Frontage Road, Skokie, Illinois 60076 and legally described as set forth on Exhibit A attached hereto and made a part hereof the "**Premises**"). As a condition to Federation agreeing to provide credit support to the Borrower pursuant to the Keepwell Arrangement, Federation is requiring Borrower and Mortgagor to (i) enter into a Reimbursement Agreement committing to reimburse Federation for any and all amounts paid by Federation in respect of the Keepwell Obligations (the "**Reimbursement Agreement**"), and (ii) grant this Mortgage against the Premises to Federation as security for Borrower's obligations under the Reimbursement Agreement.

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II.

THE GRANT

NOW, THEREFORE, to secure the payment of all amounts due and owing from, and performance of any and all liabilities and obligations to be performed by Mortgagor and Borrower under the Reimbursement Agreement (including, without limitation, the Reimbursement Obligations described therein), and all other sums due thereunder or advanced by Federation and all costs and expenses incurred by Federation in connection with the Keepwell Agreement, the Reimbursement Agreement or this Mortgage and any other document executed by Mortgagor or Borrower in connection therewith (collectively, the **"Reimbursement Documents"**) (all such obligations are sometimes referred to herein as the **"indebtedness secured hereby"**) and to secure the observance and performance of the agreements contained herein and in the other Reimbursement Documents, Mortgagor hereby **GRANTS, BARGAINS, CONVEYS, and MORTGAGES** to Federation, its successors and assigns, forever all of Mortgagor's estate, right, title and interest, whether now or hereafter acquired, in and to the Premises, together with the following described property, whether now or hereafter acquired (the Premises, together with a security interest in and a lien on the following described property being hereinafter referred to collectively as the **"Mortgaged Property"**), all of which other property is hereby pledged on a parity with the Premises and not secondarily:

(a) All buildings and other improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration and repair of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Mortgaged Property immediately upon the delivery thereof to the Premises;

(b) All right, title and interest of Mortgagor, including, without limitation, any after acquired title or reversion, in and to the beds of the ways, streets, avenues, sidewalks and alleys adjoining the Premises;

(c) Each and all of the tenements, hereditaments, easements, appurtenances, passages, waters, water courses, riparian rights and any and all other rights, liberties and privileges of the Premises or in any way now or hereafter appertaining thereto, including homestead and any other claim at law or in equity, as well as any after acquired title, franchise or license and the reversions and remainders thereof;

(d) All leases now or hereafter on or affecting the Premises, whether written or oral, and all agreements for use of the Premises, together with all rents, issues, deposits, profits and other benefits now or hereafter arising from or in respect of the Premises accruing and to accrue from the Premises and the avails thereof;

(e) All fixtures and personal property now or hereafter owned by Mortgagor and attached to, contained in or used in connection with the Premises or the aforesaid improvements thereon, including, without limitation, any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, elevators, engines, equipment, escalators,

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fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, inventory, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring and all renewals or replacements thereof or articles in substitution therefor, whether or not the same be attached to such improvements, it being agreed that all such property owned by Mortgagor and placed on the Premises or used in connection with the operation or maintenance thereof shall, so far as permitted by law, be deemed for the purpose of this Mortgage to be part of the real estate constituting and located on the Premises and covered by this Mortgage;

(f) All judgments, insurance proceeds, awards of damages and settlements which may result from any damage to all or any portion of the Premises and the other Mortgaged Property, or any part thereof, or to any rights appurtenant thereto;

(g) All compensation, awards, damages, claims, rights of actions and proceeds of or on account of (i) any damage or taking, pursuant to the power of eminent domain, of the Premises and the other Mortgaged Property or any part thereof, (ii) damage to all or any portion of the Premises and the other Mortgaged Property by reason of the taking, pursuant to the power of eminent domain, of all or any portion of the Premises and the other Mortgaged Property or of other property, or (iii) the alteration of the grade of any street or highway on or about the Premises and the other Mortgaged Property or any part thereof; and except as otherwise provided herein, Federation is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor and to apply the same toward the payment of the indebtedness and other sums secured hereby;

(h) All contract rights, general intangibles, actions and rights in action, including, without limitation, all rights to insurance proceeds and unearned premiums arising from or relating to damage to the Premises or the other Mortgaged Property or any part thereof;

(i) All proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Premises or the other Mortgaged Property;

(j) All building materials and goods which are procured or to be procured for use on or in connection with the Mortgaged Property, whether or not such materials and goods have been delivered to the Premises;

(k) All plans, specifications, architectural renderings, drawings, licenses, permits, soil test reports, other reports of examinations or analyses, contracts for services to be rendered Mortgagor, or otherwise in connection with the Mortgaged Property and all other property, contracts, reports, proposals, and other materials now or hereafter existing in any way relating to the Premises or the other Mortgaged Property or construction of additional improvements thereto; and

(l) The proceeds from any sale, transfer, pledge or other disposition of any or all of the foregoing described Mortgaged Property;

To have and to hold the same unto Federation and its successors and assigns forever, for the purposes and uses herein set forth together with all right to possession of the Premises after the

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occurrence of any Default (as hereinafter defined in Paragraph 4.01 hereof) hereunder subject only to the exceptions listed on Exhibit B attached hereto and hereby made a part hereof (collectively, "Permitted Exceptions"); the Mortgagor hereby RELEASING AND WAIVING all rights under and by virtue of the homestead exemption laws of the state where the Premises are located (the "State").

MORTGAGOR REPRESENTS, WARRANTS AND COVENANTS, to Federation that Mortgagor is lawfully seized of the Premises, that the same is unencumbered except by the Permitted Exceptions, if any, and that it has good right, full power and lawful authority to convey and mortgage the same, and that Mortgagor will warrant and forever defend said parcels and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

If and when the Borrower has repaid the Loan and satisfied all obligations under the Reimbursement Documents, and when the Federation has no further liability, fixed or contingent, under or by reason of the Keepwell Arrangement, and the Borrower and Mortgagor have no further liability, fixed or contingent, to the Federation under the Reimbursement Documents or this Mortgage, then this Mortgage shall be released at the cost of Mortgagor, but otherwise shall remain in full force and effect.

III.

GENERAL AGREEMENTS

3.01. Payments. Mortgagor shall pay or cause to be paid promptly when due any amounts payable under this Mortgage and in the manner provided in the Reimbursement Agreement, this Mortgage and the other Reimbursement Documents. Any amount not paid when due hereunder shall accrue interest at the rate ("Default Interest Rate") provided for in the Reimbursement Agreement.

3.02. Property Taxes. Mortgagor shall pay immediately, when first due and owing, prior to delinquency all general taxes, special taxes, special assessments, water charges, sewer charges, and any other charges that may be asserted against the Mortgaged Property or any part thereof or interest therein, and furnish to Federation duplicate receipts therefor within thirty (30) days after payment thereof. Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any such taxes or assessments, provided that:

(a) such contest shall be made after payment of such taxes or assessments before any delinquency occurs; provided, however, Mortgagor may contest such validity or amount prior to payment of such taxes or assessments so long as such contest shall have the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of the Mortgaged Property or any part thereof or interest therein to satisfy the same;

(b) Mortgagor has notified Federation in writing of the intention of Mortgagor to contest the same before any tax or assessment has been increased by any interest, penalties or costs; and

(c) Mortgagor has deposited with Federation, at such place as Federation may from time to time in writing designate, a sum of money or other security acceptable to Federation that

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is sufficient, in Federation's sole and absolute judgment, to pay in full such contested tax and assessment and all penalties and interest that might become due thereon, and shall keep on deposit an amount sufficient, in Federation's sole and absolute judgment, to pay in full such contested tax and assessment, increasing such amount to cover additional penalties and interest whenever, in Federation's sole and absolute judgment, such increase is advisable. Upon the consummation of such contest, and provided there is no existing Default hereunder, any excess funds held by Federation shall be returned to Mortgagor.

In the event Mortgagor fails to prosecute such contest in good faith and with reasonable diligence, Federation may, at its option, apply the monies and liquidate any securities deposited with Federation in payment of, or on account of, such taxes and assessments, or any portion thereof then unpaid, including all penalties and interest thereon. If the amount of the money and any such security so deposited is insufficient for the payment in full of such taxes and assessments, together with all penalties and interest thereon, Mortgagor shall forthwith, upon demand, either deposit with Federation a sum that, when added to such funds then on deposit, is sufficient to make such payment in full, or, if Federation has applied funds on deposit on account of such taxes and assessments, restore such deposit to an amount satisfactory to Federation. Provided no Default exists hereunder, Federation shall, if so requested in writing by Mortgagor, after final disposition of such contest and upon Mortgagor's delivery to Federation of an official bill for such taxes, apply the money so deposited in full payment of such taxes and assessments or that part thereof then unpaid, together with all penalties and interest thereon, and any excess security shall be returned to Mortgagor.

3.03. Tax Escrow. Upon Federation's request after the occurrence and continuance beyond any applicable notice and cure period of a Default hereunder, Mortgagor, to provide for the payment of real estate taxes and assessments pertaining to the Premises, shall deposit monthly with Federation one twelfth (1/12th) of one hundred percent (100%) of the annual real estate taxes as reasonably estimated by Federation from time to time in such manner as Federation may prescribe so as to provide for the current year's real estate tax obligation (to the extent that Premises are not exempt from real estate taxes). If the amount estimated to pay said taxes is not sufficient, Mortgagor shall pay the difference within five (5) days following Federation's demand therefor. Should Mortgagor fail to deposit sufficient amounts with Federation to pay such obligations, Federation may, but shall not be obligated to, advance monies necessary to make up any deficiency in order to pay such obligations. Any monies so advanced by Federation shall become so much additional indebtedness secured hereby and shall become immediately due and payable with interest due thereon at the Default Interest Rate. Federation is not obligated to inquire into the validity or accuracy of the real estate tax obligations before making payments of the same and nothing herein contained shall be construed as requiring Federation to advance other monies for said purpose nor shall Federation incur any personal liability for anything it may do or omit to do hereunder. It is agreed that all such payments made, at the option of Federation, shall be (i) held in trust by it without earnings for the payment of the real estate tax obligations; (ii) carried in a tax account for the benefit of Mortgagor and withdrawn by Federation to pay the real estate tax obligations; or (iii) credited to the unpaid balance of said indebtedness as received, provided that Federation advances upon this obligation sums sufficient to pay said items as the same accrue and become payable. If such items are held in trust or carried in a tax account for Mortgagor, the same are hereby pledged together with any other account of Mortgagor held by Federation to further secure the indebtedness secured hereby, and any officer of Federation is authorized to withdraw

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the same and apply said sums as aforesaid. Notwithstanding any provision to the contrary herein contained, so long as no Default or event which with the giving of notice and the expiration of any grace or cure period would constitute a Default exists hereunder, Federation shall apply the deposits received hereunder to the payment of real estate taxes and assessments pertaining to the Premises, provided, however, that in no event shall Federation be obligated to pay any amount in excess of the amount of deposits held by Federation pursuant hereto nor shall Federation be required to inquire as to the validity or accuracy of any real estate tax or assessment obligation before making such payments.

3.04. Payments by Federation. In the event of a Default hereunder, Federation is hereby authorized to make or advance, in the place and stead of Mortgagor, any payment relating to taxes, assessments, water and sewer charges, and other governmental charges, fines, impositions or liens that may be asserted against the Mortgaged Property or any part thereof, and may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy thereof or into the validity of any tax, assessment, lien, sale, forfeiture of title or claim relating thereto. In the event of a Default hereunder, Federation is further authorized to make or advance, in the place and stead of Mortgagor, any payment relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim, charge or payment, as well as take any and all actions which Federation deems necessary or appropriate on Mortgagor's behalf whenever, in Federation's sole and absolute judgment and discretion, such payments or actions seem necessary or desirable to protect the full security intended to be created by this Mortgage. In connection with any such advance, Federation is further authorized, at its option, to obtain a continuation report of title or title insurance policy prepared by a title insurance company of Federation's choosing. All payments, costs and other expenses incurred by Federation pursuant to this **Paragraph 3.04**, including without limitation reasonable attorneys' fees, expenses and court costs, shall constitute additional indebtedness secured hereby and shall be repayable by Mortgagor upon demand with interest at the Default Interest Rate.

3.05. Insurance.

(a) **Hazard.**

(i) Mortgagor agrees to maintain insurance against loss or damage to the building and all improvements and betterments on the Mortgaged Property ("Loss") in such amounts and with such limits as Federation may reasonably require from time to time. The coverage shall be equivalent or better than the Causes of Loss - Special Form (CP1030) as published by the Insurance Services Office ("ISO") and shall be on a replacement cost, agreed amount basis. Mortgagor must pay promptly, when due, any premium on such insurance. All such insurance policies and renewals thereof shall be written in companies having a Best's rating of A- or better. All such policies and renewals thereof (or binders evidencing the same) shall be delivered to Federation at least thirty (30) days before the expiration of the existing policies and shall have attached thereto a standard mortgagee clause entitling Federation to collect any and all proceeds payable under such insurance. The policy shall contain a waiver of subrogation in favor of the Federation. If more than one policy is written insuring the Mortgaged Property, this separate policy must also include a standard mortgagee clause and waiver of subrogation in favor of Federation. In the event of a change in ownership or of occupancy of the Mortgaged Property, or any portion thereof, Mortgagor shall give immediate notice thereof to Federation.

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(ii) The following notice is provided pursuant to paragraph (3) of Section 180/10 of Chapter 815 of the Illinois Compiled Statutes, as amended. As used herein, "you" means the Mortgagor and "we" and "us" means the Federation: Unless you provide evidence of the insurance coverage required by your agreement with us, we may purchase insurance at your expense to protect our interests in your collateral. This insurance may, but need not, protect your interests. The coverage that we purchase may not pay any claim that you make or any claim that is made against you in connection with the collateral. You may later cancel any insurance purchased by us, but only after providing evidence that you have obtained insurance as required by our agreement. If we purchase insurance for the collateral, you will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges we may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to your total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance you may be able to obtain on your own.

(iii) In case of any loss covered by policies of insurance, Mortgagor shall immediately give Federation and the insurance companies that have insured against such risks, notice of such loss and Mortgagor is authorized, with Federation's prior written consent, which shall be granted in Federation's reasonable discretion, to settle and adjust any claim under insurance policies which insure against such risks. Notwithstanding the foregoing, in the event of a total casualty or in the event of a Default or event or condition which with the giving of notice or the passage of time would constitute a Default, shall have occurred hereunder or under any of the other Reimbursement Documents, Federation (or after entry of decree of foreclosure, purchaser at the sale, or the decree creditor, as the case may be) is, subject to the provisions hereof, hereby authorized to either: (1) settle, adjust or compromise any claim under any insurance policies and Federation shall act in its reasonable discretion without the consent of Mortgagor; or (2) allow Mortgagor to settle, adjust or compromise any claims for loss with the insurance company or companies on the amount to be paid upon the loss. In all cases Federation is authorized to collect and receipt for any such insurance proceeds and the expenses incurred by Federation in the adjustment and collection of insurance proceeds shall be such additional indebtedness secured hereby and shall be reimbursed to Federation upon demand with interest thereon at the Default Interest Rate or may be deducted by Federation from said insurance proceeds prior to any other application thereof.

The insurance proceeds shall be made available to Mortgagor to repair and restore the Mortgaged Property if, and only if, all of the following conditions are satisfied:

(A) no Default shall have occurred hereunder or under any of the other Reimbursement Documents;

(B) the insurance proceeds shall, in Federation's reasonable judgment, be sufficient to complete the repair the restoration of the buildings, structures and other improvements on the Premises to an architectural and economic unit of substantially the same character and the same value as existed immediately prior to such casualty, or, if Federation shall determine, in its reasonable discretion, that the insurance proceeds are insufficient, Mortgagor shall have deposited with Federation the amount of the deficiency in cash within fifteen (15) days after Federation's demand therefor;

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(C) after such repair or restoration, the Mortgaged Property shall, in Federation's sole and absolute judgment, adequately secure the outstanding balance of the Loan; and

(D) the insurers do not deny liability to the insureds.

In all other cases, the insurance proceeds may, at the option of Federation, be applied in the reduction of the indebtedness secured hereby, whether due or not, in such order as Federation shall determine in its sole and absolute discretion, or be held by Federation and used to reimburse Mortgagor for the cost of rebuilding or restoring buildings or improvements on the Premises.

Notwithstanding anything herein to the contrary, in case of any loss after foreclosure proceedings have been instituted, all insurance proceeds shall, at Federation's option, be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid to the owner of the equity of redemption if said owner shall then be entitled to the same, or as the court may otherwise direct. In case of the foreclosure of this Mortgage, the court in its decree may provide that the mortgagee's clause attached to each of said insurance policies may be canceled and that the decree creditor may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said decree creditor. Any foreclosure decree may further provide that in case of any one or more redemptions made under said decree, each successive redelector may cause the preceding loss clause attached to each insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redelector. In the event of a foreclosure sale, Federation is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Federation may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

Nothing contained in this Mortgage shall create any responsibility or obligation on Federation to collect any amount owing on any insurance policy, to rebuild, repair or replace any damaged or destroyed portion of the Mortgaged Property, or to perform any act hereunder.

(iv) Upon Mortgagor's request, and provided all of the conditions of the second paragraph of Paragraph 3.05(a)(iii) have been satisfied or upon Federation's election, Mortgagor shall apply such insurance proceeds toward repairing, restoring, and rebuilding such improvements, such insurance proceeds shall be made available therefor, by Federation, or such other depository designated by Federation, from time to time, to Mortgagor or at Federation's option directly to contractors, sub-contractors, material suppliers and other persons entitled to payment in accordance with and subject to such conditions to disbursement as Federation may impose to ensure that the work is fully completed in a good and workmanlike manner and paid for and that no liens or claims arise by reason thereof, provided that Federation is furnished with evidence reasonably satisfactory to Federation of the estimated cost of such repairs, restoration and rebuilding and with architect's and other certificates, waivers of lien, certificates, contractors' sworn statements, and other evidence of the estimated cost thereof and of payments as Federation may require and approve in its reasonable discretion. In addition to the foregoing, if the estimated cost of the work exceeds ten (10%) percent of the original principal amount of the indebtedness secured hereby, Mortgagor shall also deliver to Federation for its prior approval evidence satisfactory to Federation in its reasonable discretion that the appraised value of the Mortgaged

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Property after such work will not be less than its appraised value established in the appraisal delivered to Federation on or prior to the date hereof and all plans and specifications for such repairs, restoration and rebuilding as Federation may require and approve in its reasonable discretion. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the repair, restoration or rebuilding work performed, from time to time, and at all times the undisbursed balance of such proceeds remaining in the custody or control of Federation shall be, in Federation's reasonable discretion, at least sufficient to pay for the cost of completion of the work, free and clear of any liens. Federation may, at any time after the occurrence of a Default hereunder, and in its sole and absolute discretion, procure and substitute for any and all of the insurance policies so held as aforesaid, such other policies of insurance in such amounts and carried in such companies as Federation may select. Federation may commingle any such funds held by it hereunder and shall not be obligated to pay any interest with respect to any such funds held by or on behalf of Federation.

(b) Liability.

(i) Mortgagor shall carry and maintain comprehensive Special Form insurance on the improvements and personal property at the Property (A) in an amount equal to 100% of the "Full Replacement Cost", which for purposes of this Mortgage shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with a waiver of depreciation; (B) containing an Agreed Amount Endorsement with respect to the improvements and personal property at the Property waiving all co insurance provisions, if applicable; and (C) providing for no deductible in excess of Ten Thousand and No/100 Dollars (\$10,000), or as approved in writing by Federation, for all such insurance coverage. In addition, Mortgagor shall obtain: (x) if any portion of the improvements is currently or at any time in the future located in federally designated "special flood hazard area" flood hazard insurance in an amount equal to either (1) the full replacement cost of the improvements (including contents), or (2) the outstanding principal balance of the Reimbursement Agreement, or (3) such lesser amount as Federation shall reasonably require; (y) if any portion of the improvements is or at any time in the future located in federally designated flood zone A or V, flood hazard insurance in an amount equal to either (1) the full replacement cost of the improvements (including contents), or (2) the outstanding principal balance of the Reimbursement Agreement, or (3) such lesser amount as Federation shall reasonably require, or (4) the maximum amounts attainable on a FEMA flood policy; if (y) applies then acceptable evidence of coverage must be provided in accordance with FEMA bank regulations and (z) earthquake insurance in amounts and in form and substance satisfactory to Federation in the event the Property is located in an area with a high degree of seismic activity;

(ii) Mortgagor shall carry and maintain commercial general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Property, such insurance (A) to be on per "occurrence" form with a per occurrence limit, which may be satisfied in combination with the limits provided by an Excess or Umbrella Liability policy, of not less than Two Million and No/100 Dollars (\$2,000,000) per occurrence and not less than Ten Million and No/100 Dollars (\$5,000,000) in the aggregate; (B) to continue at not less than the aforesaid limit until required to be changed by Federation by reason of changed economic conditions making such protection inadequate; and (C) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations on an "if any" basis; (3)

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independent contractors; (4) blanket contractual liability for all legal contracts; and (5) contractual liability covering the indemnities contained in the Reimbursement Agreement and the Mortgage to the extent the same is available; Federation must be added to the property as Mortgagee and Loss Payee (D) to name Federation as an Additional Insured in accordance with Additional Insured ISO provision CG2026 or equivalent;

(iii) All property policies, including but not limited to those outlined above, must include a Loss Payee provision naming Federation and providing thirty (30) days' notice of cancellation (ten (10) days' notice for non-payment), in accordance with Lenders' Loss Payable provision CP1218 or equivalent; furthermore a waiver of subrogation provision favoring Federation must be provided or included in the policy terms and conditions;

(c) Builder's Risk.

(i) At all times during which structural construction, repairs or alterations are being made with respect to the improvements, and only if the Property coverage form does not otherwise apply, Mortgagor shall obtain and maintain, or cause to be maintained, insurance for Mortgagor and the Property providing at least the following coverages: (A) owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of a commercial general liability insurance policy referred to in paragraph (b)(ii) above; and (B) the insurance provided for in paragraph (b)(i) above written on a builder's risk completed value form (1) on a non-reporting basis, (2) against all risks insured against pursuant to paragraph (b)(i) above, (3) including permission to occupy the Property, and (4) with an agreed amount endorsement waiving co-insurance provisions, if applicable;

(ii) Up to substantial completion of the improvements, Mortgagor is to maintain all risks builder's risk (including coverage against the perils of earthquake, including but not limited to collapse, landslide, mudslide or subsidence, flood, ordinance and law, windstorm and windstorm debris, sewer back-up, with limits representative of 100% of the total hard costs and at least 25% of the total soft costs) coverage for the full replacement cost of the Property, excluding land costs, such insurance shall meet the following requirements:

(A) Name the Mortgagor as first named insured thereunder;

(B) Provide resultant damage coverage as a result of faulty workmanship, materials or design;

(C) Provide testing and commissioning coverage for the HVAC and electrical systems, including but not limited to pressure vessels for a period of no less than twenty (20) days;

(D) Name Federation as mortgagee and first loss payee, subject to the lender's loss payable clause;

(E) insurer to provide 30 days written notice of cancellation or termination thereof, to Federation (with the exception of cancellation due to non-payment of premium for which 15 days statutory notice of cancellation may apply);

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(F) Contain a waiver by the insurer or insurers of all rights of subrogation or indemnity or any other claim to which such insurer or insurers might otherwise be entitled against Federation;

(G) Provide a permission to occupy clause;

(H) Evidence of the architects and engineers professional liability in an amount no less than one million dollars (\$1,000,000);

(I) delay in start-up insurance adequate to reimburse all lost revenues relating to such Phase for a term of not less than 12 months, if applicable;

(J) Evidence of Worker's Compensation insurance, evidencing limits in accordance to the statutory limits of the state in which the property is located; and

(iii) Mortgagor is to maintain wrap up liability or commercial general liability insurance with a minimum combined single limit of liability of not less than \$5,000,000 per occurrence with products and completed operations cover with a period of no less than twenty-four (24) months. Federation reserves the right to request higher limits if deemed appropriate to the risk or as advised by their insurance risk consultant acting reasonably. Such insurance shall:

(A) name the Mortgagor as first named insureds and Federation as an additional insured and name all others required to be named under any of the material agreements, including architects, engineers, consultants, contractors, subcontractors and trades of every tier as additional insureds;

(B) provide that no cancellation or termination thereof, for any reason whatsoever (with the exception of cancellation due to non-payment of premium for which 15 days statutory notice of cancellation may apply), shall take effect unless the insurer concerned has given Federation not less than 30 days prior written notice of such proposed action;

(C) contain a waiver by the insurer of all rights of subrogation or indemnity or any other claim to which the insurer might otherwise be entitled against Federation and others to whom Mortgagor has granted such waivers under any of the material agreements;

(D) contain a cross liability clause and a severability of interests clause, and

(E) otherwise be in such form as Federation shall reasonably require.

(d) Flood Area. If the Premises are now or hereafter located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (the "Act"), Mortgagor, at its sole cost and expense shall keep the Premises insured by flood insurance in an amount not less than the maximum limit of coverage available under the Act.

(e) Worker's Compensation. Evidence of worker's compensation insurance covering all persons working on or about the Mortgaged Property and death, injury and/or property damage occurring on or about the Mortgaged Property or resulting from activity therefrom, with liability

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insurance limits for death of or injury to persons and/or damage to property of not less than the amounts from time to time required by statute.

(f) **Other Insurance.** Upon Federation's written request, Mortgagor at its sole cost and expense, shall carry and maintain such other insurance coverage(s) as Federation may, in its sole and absolute discretion, deem necessary or appropriate in such amounts, with such companies and in such form as Federation deems satisfactory in its reasonable discretion, all at Mortgagor's sole expense.

3.06. Condemnation and Eminent Domain. Any and all awards heretofore or hereafter made or to be made to the present or any subsequent owner of the Mortgaged Property by any governmental or other lawful authority for the taking, by condemnation or eminent domain, of all or any part of the Mortgaged Property, (including any award from the United States government at any time after the allowance of a claim therefor, the ascertainment of the amount thereto, and the issuance of a warrant for payment thereof), are hereby assigned by Mortgagor to Federation, which awards Federation is hereby authorized to negotiate, collect and receive from the condemnation authorities. Federation is hereby authorized to give appropriate receipts and acquittances therefor. Mortgagor shall give Federation immediate notice of the actual or threatened commencement of any condemnation or eminent domain proceedings of which it has knowledge affecting all or any part of the Mortgaged Property (including severance of, consequential damage to or change in grade of streets), and shall immediately deliver to Federation copies of any and all papers served in connection with any such proceedings. Mortgagor further agrees to make, execute and deliver to Federation, free and clear of any encumbrance of any kind whatsoever, any and all further assignments and other instruments deemed necessary by Federation for the purpose of validly and sufficiently assigning all awards and other compensation heretofore, now and hereafter made to Mortgagor for any taking, either permanent or temporary, under any such proceeding. Any such award shall be applied toward the indebtedness secured by this Mortgage or applied toward restoring the Mortgaged Property in accordance with the provisions of and in the same manner as is provided for insurance proceeds in Paragraph 3.05(a) hereof. Notwithstanding the foregoing, any reasonable expenses, including, without limitation, attorneys' fees and expenses, incurred by Federation in intervening in such action or compromising and settling such action or claim, or collecting such proceeds, shall be reimbursed to Federation first out of the proceeds.

3.07. Maintenance of Property. No portion of the Mortgaged Property shall be altered, demolished, severed, removed, sold or mortgaged, without the prior written consent of Federation; provided, however, Federation shall not unreasonably withhold, condition or delay its consent with respect to Mortgagor's anticipated renovations of the Mortgaged Property into a school. In the event of the demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered by this Mortgage or by any separate security agreement executed in conjunction herewith, the same shall be replaced promptly by similar fixtures, chattels and articles of personal property at least equal in value, quality and condition to those replaced, free from any other security interest therein, encumbrances thereon or reservation of title thereto. Mortgagor shall promptly repair, restore or rebuild any building or other improvement or any part thereof now or hereafter situated on the Premises that may become damaged or be destroyed whether or not proceeds of insurance are available or sufficient for such purpose. Any such building or other improvement or any part thereof shall be repaired, restored or rebuilt so as to be of at least equal value and of substantially the same character as prior to such damage or destruction.

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Mortgagor further agrees not to permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or any part thereof, to keep and maintain the Mortgaged Property and every part thereof in good repair and condition, to effect such repairs as Federation may reasonably require and, from time to time, to make all necessary and proper replacements thereof and additions thereto so that the Premises and such buildings, other improvements, fixtures, chattels and articles of personal property will, at all times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed.

3.08. Compliance with Laws. Mortgagor shall: (i) comply with, all statutes, ordinances, regulations, rules, orders, decrees and other requirements relating to the Mortgaged Property, or any part thereof, by any federal, state or local authority, including, without limitation, the Americans with Disabilities Act of 1990, and (ii) observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including, without limitation, zoning variances, special exceptions, and nonconforming uses), privileges, franchises and concessions that are applicable to the Mortgaged Property or that have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Mortgaged Property or any part thereof. Mortgagor shall not initiate or acquiesce in any changes to or termination of any of the foregoing or of zoning design actions affecting the use of the Mortgaged Property or any part thereof without the prior written consent of Federation.

3.09. Liens and Transfers. Without Federation's prior written consent (which may be withheld in Federation's sole and absolute discretion), Mortgagor shall not, directly or indirectly, create, suffer or permit to be created or filed or to remain against the Mortgaged Property, or any part thereof, hereafter any mortgage lien or other lien, encumbrance or charge on, pledge of, or conditional sale or other title retention agreement with respect to the Mortgaged Property, whether superior or inferior to the lien of this Mortgage; provided, however, that Mortgagor may, within ten (10) days after the filing thereof, contest in good faith by appropriate legal or administrative proceedings any lien claim arising from any work performed, material furnished or obligation incurred by Mortgagor upon furnishing Federation a bond issued by a company approved by Federation in its sole and absolute discretion covering the lien claim, or an endorsement to Federation's title insurance policy insuring Federation's interest in the Premises insuring over said lien claim, each in form and substance satisfactory to Federation in its sole and absolute discretion, or such other security and indemnification satisfactory to Federation, in its sole and absolute discretion, for the final payment and discharge thereof.

Mortgagor may not, without Federation's prior written consent (which may be withheld in Federation's sole and absolute discretion), sell, lease, transfer, convey, assign, pledge, hypothecate or otherwise dispose of the title to all or any portion of the Mortgaged Property, whether by operation of law, voluntarily or otherwise, or any interest (beneficial or otherwise) thereto, or enter into any agreement to do any of the foregoing. Without limiting the generality of the foregoing, each of the following events shall be deemed a sale, transfer, conveyance, assignment, pledge, hypothecation or other disposition prohibited by the foregoing sentence:

(a) if Mortgagor is a corporation, any sale, conveyance, assignment or other transfer of all or any portion of the stock of such corporation, that results in a material change in the identity of the person(s) or entities in control of such corporation, or any corporation which controls Mortgagor;

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(b) any sale, conveyance, assignment or other transfer of all or any portion of the stock, partnership or membership interest of any entity directly or indirectly in control of any corporation, partnership or limited liability company constituting Mortgagor or any corporation, partnership or limited liability company which controls Mortgagor, or any sale, conveyance, assignment or other transfer by Mortgagor in any corporation, partnership or limited liability company in which Mortgagor has a controlling interest, directly or indirectly; and

(c) any hypothecation of all or any portion of any stock, partnership or membership interest of any of Mortgagor, or of all or any portion of the stock, partnership or membership interest of any entity directly or indirectly in control of such corporation, partnership or limited liability company or any corporation, partnership or limited liability company which controls Mortgagor, or any sale, conveyance, assignment or other transfer by Mortgagor in any corporation, partnership or limited liability company in which Mortgagor has a controlling interest, directly or indirectly.

Any waiver by Federation of the provisions of this Paragraph 3.09 shall not be deemed to be a waiver of the right of Federation in the future to insist upon strict compliance with the provisions hereof.

3.10. Subrogation to Prior Lienholder's Rights. If the proceeds of the Loan secured hereby or any part thereof, or any amount paid out or advanced by Federation is used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any prior lien or encumbrance upon the Mortgaged Property or any part thereof, then Federation shall be subrogated to the rights of the holder thereof in and to such other lien or encumbrance and any additional security held by such holder, and shall have the benefit of the priority of the same.

3.11. Federation's Dealings with Transferee. In the event of the sale or transfer, by operation of law, voluntarily or otherwise, of all or any part of the Mortgaged Property, Federation shall be authorized and empowered to deal with the vendee or transferee with regard to the Mortgaged Property, the indebtedness secured hereby and any of the terms or conditions hereof as fully and to the same extent as it might with Mortgagor, without in any way releasing or discharging Mortgagor from its covenants hereunder, specifically including those contained in Paragraph 3.09 hereof, and without waiving Federation's right of acceleration pursuant to Paragraph 3.09 hereof.

3.12. Stamp Taxes. If at any time any federal, State or municipal law shall require any documentary stamps or other tax hereon, or shall require payment of any tax upon the indebtedness secured hereby, then the said indebtedness and the accrued interest thereon shall be and become due and payable at the election of the Federation upon 30 days' notice to Mortgagor provided, however, that said election shall be unavailing and this Mortgage shall be and remain in effect, if Mortgagor lawfully may pay for such stamps or such tax including interest and penalties thereon to or on behalf of the Federation and Mortgagor does in fact pay, when payable, for all such stamps or such tax, as the case may be, including interest and penalties thereon.

3.13. Change in Tax Laws. In the event of the enactment, after the date of this Mortgage, of any law of the state in which the Premises are located deducting from the value of the Premises, for the purpose of taxation, the amount of any lien thereon, or imposing upon

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Federation the payment of all or any part of the taxes, assessments, charges or liens hereby 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 Mortgagor's interest in the Mortgaged Property, or the manner of collection of taxes, so as to affect this Mortgage or the indebtedness secured hereby or the holder thereof, then Mortgagor, upon demand by Federation, shall pay such taxes, assessments, charges or liens, or reimburse Federation therefor; provided, however, that if, in the opinion of counsel for Federation, it might be unlawful to require Mortgagor to make such payment or the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then Federation may elect, by notice in writing given to Mortgagor and Borrower, to declare all of the indebtedness secured hereby to become due and payable thirty (30) days after the giving of such notice. Nothing contained in this Paragraph 3.13 shall be construed as obligating Federation to pay any portion of Mortgagor's or Borrower's federal income tax.

3.14. Inspection of Property. Mortgagor shall permit Federation and its representatives and agents to inspect the Mortgaged Property from time to time upon reasonable prior telephonic notice during normal business hours and as frequently as Federation considers reasonable.

3.15. Inspection of Books and Records. Mortgagor shall keep and maintain full and correct books and records showing in detail the income and expenses of the Mortgaged Property and after demand therefor by Federation shall permit Federation and its agents and representatives to visit its offices, discuss its financial affairs with its officers and independent public accountants, whether or not any representative of Mortgagor is present and to examine such books and records and all supporting vouchers and data, copies of any leases encumbering the Premises and such other information as Federation may deem reasonably necessary or appropriate at any time from time to time on Federation's request at Mortgagor's office, at the address hereinabove identified or at such other location as may be reasonably requested by Federation.

3.16. Financial Information.

(a) Mortgagor shall deliver, or cause to be delivered, to Federation, on at least an annual basis and at such other times as Federation may reasonably request, financial statements for Arie Crown Hebrew Day School on a form approved by Federation setting forth the information therein as of the immediately preceding calendar year, containing income and expense statements and a balance sheet, prepared and reviewed by an independent certified public accounting firm acceptable to Federation in accordance with generally accepted accounting principles consistently applied and certified to be true, complete and correct by the persons or entities to which they apply and in detail as Federation may require.

(b) Mortgagor shall deliver, or cause to be delivered, to Federation, on at least an annual basis and at such other times as Federation shall reasonably request, current financial statements of Mortgagor and such other information as Federation may reasonably request.

3.17. Acknowledgment of Debt. (Intentionally deleted)

3.18. Other Amounts Secured; Maximum Indebtedness. Mortgagor acknowledges and agrees that this Mortgage secures the entire amount which may become due and owing to Federation pursuant to the Reimbursement Agreement, as well as any amounts owed to Federation

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pursuant to **Paragraphs 3.02 and 3.04** hereof, any and all litigation and other expenses pursuant to **Paragraphs 4.05 and 4.06** hereof and any other amounts as provided herein or in any of the other Reimbursement Documents. Under no circumstances, however, shall the total indebtedness secured hereby exceed Sixteen Million Five Hundred Dollars (\$16,500,000).

3.19. Declaration of Subordination. At the option of Federation, 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 condemnation or eminent domain award) to any and all leases of all or any part of the Mortgaged Property upon the execution by Federation and recording thereof, at any time hereafter, in the appropriate official records of the county where the Premises are situated, of a unilateral declaration to that effect.

3.20. Releases. Federation, without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens thereon, may release from the liens of Federation all or any part of the Mortgaged Property, or release from liability any person or entity obligated to repay any indebtedness secured hereby, without in any way affecting the liability of any party pursuant to the Reimbursement Agreement, this Mortgage or any of the other Reimbursement Documents, including, without limitation, any guaranty given as additional security for the indebtedness secured hereby, and without in any way affecting the priority of the lien of this Mortgage, and may agree with any party liable therefor to extend the time for payment of any part or all of such indebtedness. Any such agreement shall not in any way release or impair the lien created by this Mortgage or reduce or modify the liability of any person or entity obligated personally to repay the indebtedness secured hereby, but shall extend the lien hereof as against the title of all parties having any interest, subject to the indebtedness secured hereby, in the Mortgaged Property.

3.21. Mortgagor's Representations. Mortgagor hereby represents and covenants to Federation that:

(a) Mortgagor is lawfully seized of the Mortgaged Property hereby mortgaged, granted and conveyed and has the right to mortgage, grant and convey the Mortgaged Property, that the Mortgaged Property is unencumbered except by the Permitted Exceptions, if any, and that Mortgagor will represent, warrant and defend generally the title to the Mortgaged Property, or any portion thereof, against any and all claims and demands, subject only to the Permitted Exceptions, if any.

(b) (intentionally deleted)

(c) Mortgagor (i) is an Illinois limited liability company, duly organized and validly existing under the laws of the State of Illinois and is in good standing in the State of Illinois; (ii) has the power and authority to own its properties and to carry on its business as now being conducted; and (iii) is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.

(d) To the best of Mortgagor's knowledge, the execution, delivery and performance of the Reimbursement Agreement, this Mortgage and the other Reimbursement Documents: (i) have received all necessary trust, partnership, governmental, limited liability company, and corporate

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approval; (ii) do not violate any provision of any law, any order of any court or agency of government or any indenture, agreement or other instrument to which Mortgagor is a party, or by which it or any portion of the Mortgaged Property is bound; and (iii) are not in conflict with, nor will result in breach of, or constitute (with due notice or lapse of time) a default under any indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever, upon any of its property or assets, except as contemplated by the provisions of this Mortgage.

(e) To the best of Mortgagor's knowledge, the Reimbursement Agreement, this Mortgage and the other Reimbursement Documents when executed and delivered by Mortgagor, as the case may be, will constitute the legal, valid and binding obligations of Mortgagor in accordance with their respective terms.

(f) To the best of Mortgagor's knowledge, all information, reports, papers, balance sheets, statements of profit and loss, and data given to Federation or its agents and employees regarding Mortgagor or any other party obligated under the terms of the Reimbursement Agreement, this Mortgage or any of the other Reimbursement Documents are accurate and correct in all material respects, and are complete insofar as completeness may be necessary to give Federation a true and accurate knowledge of the subject matter.

(g) There is not now pending against or affecting Mortgagor or any other party obligated under the terms of the Reimbursement Agreement, this Mortgage or any of the other Reimbursement Documents, nor, to the best of Mortgagor's knowledge, is there threatened any action, suit or proceeding at law, in equity or before any administrative agency which, if adversely determined, would materially impair or affect the financial condition or operation of Mortgagor or the Mortgaged Property.

3.22. Utilities. Mortgagor will (except to the extent paid by lessees) pay all utility charges incurred in connection with the Premises and all improvements thereon, and shall maintain all utility services now or hereafter available for use at the Premises.

3.23. Hazardous Waste.

(a) Mortgagor represents, warrants, covenants and agrees, based solely on: (x) the Phase I environmental site assessment prepared by Carlson Environmental, Inc., dated January 29, 2019, as its Project No. 0001806.02, and (y) the Limited Subsurface Soil, Surface Sampling, Soil Gas and Water Investigation prepared by Carlson Environmental, Inc., dated March 19, 2019, as Project No. 001806.03, true and complete copies of which were delivered to Federation:

(i) (A) there are no Hazardous Substances (as hereinafter defined) at, upon, over or under the Mortgaged Property, or, to the best of its knowledge, at, upon, over, or under those parcels of real estate adjacent to the Mortgaged Property, and (B) during the period of ownership of the Mortgaged Property by Mortgagor, and to the best of its knowledge, prior to Mortgagor's acquisition of its interest therein, there have not been any Hazardous Substances at, upon, over or under the Mortgaged Property or, to the best of its knowledge, at, upon, over or under those parcels of real estate adjacent to the Mortgaged Property; and

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(ii) (A) the Mortgaged Property is in compliance with all Environmental Laws (as hereinafter defined); (B) Mortgagor shall comply with all Environmental Laws and Environmental Permits (as hereinafter defined); (C) Mortgagor shall require its tenants and others operating on the Mortgaged Property to comply with Environmental Laws and Environmental Permits; (D) Mortgagor shall provide Federation immediate notice of any correspondence, notices, demands or communications of any nature whatsoever received by Mortgagor relating to any alleged or actual violation, or any investigation of any alleged or actual violation, of any Environmental Law or relating to any alleged or actual presence of Hazardous Substances at, under, over or under the Mortgaged Property or adjacent real estate, and to immediately provide Federation copies of any such correspondence, notices, demands or communications which are in writing; and (E) Mortgagor shall advise Federation in writing as soon as Mortgagor becomes aware of any condition or circumstance which makes any of Mortgagor's representations or warranties contained herein incomplete or inaccurate; and

(iii) all necessary Environmental Permits pertaining to the Mortgaged Property have been obtained by the appropriate party, and all reports, notices and other documents required under any Environmental Law in connection with the Mortgaged Property have been filed; and

(iv) Mortgagor is not a party to any litigation or administrative proceeding arising under any Environmental Law in connection with the Mortgaged Property or adjacent real estate, nor, to the best knowledge of Mortgagor, is there any such litigation or proceeding contemplated or threatened; and

(v) Mortgagor and the Mortgaged Property are free from any judgment, decree, order or citation related to or arising out of any Environmental Law.

In the event Federation determines in its sole and absolute discretion that there is any evidence that any circumstance might exist, whether or not described in any communication or notice to either Mortgagor or Federation, Mortgagor agrees, at its own expense and at the request of Federation, to permit an environmental audit to be conducted by Federation or an independent agent selected by Federation. This provision shall not relieve Mortgagor from conducting its own environmental audits or taking any other steps necessary to comply with any Environmental Law or Environmental Permits. If, in the opinion of Federation, there exists any uncorrected violation of any Environmental Law or Environmental Permits or any condition which requires or may require any cleanup, removal or other remedial action under any Environmental Law, and such cleanup, removal or other remedial action is not completed within sixty (60) days from the date of written notice from Federation to Mortgagor, the same shall, at the option of Federation constitute a Default hereunder, without further notice or cure period.

(b) Mortgagor hereby represents and warrants to the Federation that, based solely on the Phase I and Phase II environmental reports delivered to Federation, with the exception of materials customarily used in the construction and maintenance of buildings, and cleaning materials, (i) neither Mortgagor nor any of its affiliates or subsidiaries, nor, to the best of the Mortgagor's knowledge, any other person or entity, has ever caused or permitted any Hazardous Substance to be placed, held, located or disposed of on, under or at the Mortgaged Property or any part thereof; (ii) none of the property described above has ever been used by Mortgagor or any of its affiliates or subsidiaries, or to the best of Mortgagor's knowledge, by any other person or entity,

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as a treatment, storage or disposal site, whether permanent or temporary, for any Hazardous Substance; (iii) there are no above ground or underground storage tanks located on the Premises; and (iv) neither Mortgagor nor the Mortgaged Property are subject to any private or governmental lien or judicial or administrative notice or action pending, or to the best of Mortgagor's knowledge, threatened, relating to Hazardous Substances or the environmental condition of the Mortgaged Property.

(c) Mortgagor agrees to indemnify, defend and hold harmless Federation and any and all current, future or former officers, directors, employees, representatives and agents from and against any and all Environmental Losses (as hereinafter defined) in any way arising from (except to the extent that such claims arise from the willful or grossly negligent acts of Federation or its agents, or Federation or its agents introduce materials to the Mortgaged Property in violation of any Environmental Laws after Federation takes possession of the Mortgaged Property): (i) any breach of any covenant, representation or warranty in this Paragraph 3.23; (ii) any Environmental Liability (as hereinafter defined); (iii) any failure to obtain or comply with any Environmental Permit; (iv) any Release (as hereinafter defined); (v) any Management (as hereinafter defined); (vi) any Environmental Condition (as hereinafter defined); (vii) the presence of any Hazardous Substance at any property other than the Mortgaged Property which is present due to either (A) any direct or indirect transportation whatsoever of a Hazardous Substance from the Mortgaged Property, or by Mortgagor, to the property at which such Hazardous Substance is present or (B) migration or other movement from the Mortgaged Property to such other property of a Hazardous Substance Released at the Mortgaged Property, and (viii) any Response (as hereinafter defined) arising out of or in connection with any of the matters described in this Paragraph 3.23(c). Any and all amounts owed by Mortgagor to Federation under this Paragraph 3.23(c) shall constitute additional indebtedness secured hereby.

(d) The following definitions apply throughout this Mortgage:

- (i) The term "Environmental Condition" shall mean the presence of any Hazardous Substance at, upon, over, under or emanating from the Mortgaged Property, any other real estate to which any Hazardous Substance has migrated from the Mortgaged Property or any other real estate whatsoever to which any Hazardous Substance has been transported from the Mortgaged Property.
- (ii) The term "Environmental Laws" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, and any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance, in each case as now or hereafter in force and effect.
- (iii) The term "Environmental Liability" shall mean any and all liabilities, whether fixed, absolute, or contingent, arising under any Environmental Law or arising under or in connection with any Environmental Permit or Environmental Condition; any and all claims of any nature whatsoever by a third party (including but not limited to governmental agencies) arising in

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any way under any Environmental Law or arising under or in connection with any Environmental Permit or Environmental Condition, including but not limited to demands for environmental cleanup, investigation or corrective action; any and all Environmental Losses incurred or sustained as a direct or indirect result of alleged or actual violations of Environmental Laws or Environmental Permits; any and all alleged or actual Environmental Conditions; any and all Releases; any and all Management; or any and all Responses.

- (iv) The terms “**Environmental Loss**” or “**Environmental Losses**” shall mean any and all costs, reasonable expenses and expenditures, including, without limitation, court costs and reasonable attorneys’, experts’ and consultants’ fees and costs of litigation or any other losses whatsoever, including, without limitation, costs and expenses of investigation, cleanup, prevention of migration, monitoring, evaluating, assessment, removal or remediation of Hazardous Substances whether or not such costs or expenses are incurred in response to any governmental or third party action, claim or directive; damages; punitive damages actually awarded; obligations; deficiencies; liabilities, whether fixed, absolute, accrued, contingent or otherwise and whether direct, primary or secondary, known or unknown; claims; encumbrances; penalties; demands; assessments; and judgments.
- (v) The term “**Environmental Permit**” shall mean authorization by any governmental entity to conduct activities governed in whole or in part by one or more Environmental Laws.
- (vi) The term “**Hazardous Substance**” shall mean hazardous substances, hazardous wastes, hazardous waste constituents, by-products, hazardous materials, hazardous chemicals, extremely hazardous substances, pesticides, oil and other petroleum products and toxic substances, including, without limitation, asbestos and PCBs, as those terms are defined pursuant to or encompassed by any Environmental Law or by trade custom and usage.
- (vii) The terms “**Manage**”, “**Managed**” or “**Management**” shall mean the generation, handling, manufacturing, processing, treatment, storing, use, reuse, refinement, recycling, reclaiming, blending, burning, recovery, incineration, accumulation, transportation, transfer, disposal, release or abandonment of any Hazardous Substances, by any person at any property (including but not limited to facilities or properties other than the Mortgaged Property, as applicable).
- (viii) The terms “**Release**”, “**Released**” or “**Releases**” shall mean any actual or threatened spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of any Hazardous Substance at, upon, over or from the Mortgaged Property, any other real estate to which any Hazardous Substance has migrated from the

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Mortgaged Property or any other real estate whatsoever to which any Hazardous Substance has been transported from the Mortgaged Property.

- (ix) The terms “Respond” or “Response” shall mean any action taken by any person, whether or not in response to a governmental or third party action, claim or directive, to correct, remove, remediate, clean up, prevent migration of, monitor, evaluate, investigate or assess, as appropriate, any Release of a Hazardous Substance, Environmental Condition, Management or actual or alleged violation of an Environmental Law or Environmental Permit.

(e) Any provisions of this Mortgage to the contrary notwithstanding, the representations, warranties, covenants, agreements and indemnification obligations contained in this Paragraph 3.23 shall survive the foreclosure of the lien of this Mortgage by Federation or a third party or the conveyance thereof by deed in lieu of foreclosure and shall not be limited to the amount of any deficiency in any foreclosure sale of the Mortgaged Property) and all indicia of termination of the relationship between Mortgagor and Federation, including, but not limited to, the cancellation of the Reimbursement Agreement, and the release of this Mortgage.

3.24. Assignment of Rents.

(a) As further security for payment of any amounts required to be paid or repaid pursuant to the Reimbursement Agreement, and any amounts due pursuant to this Mortgage:

(i) Mortgagor does hereby sell, assign and transfer to Federation all rents, leases, issues, deposits and profits now due and which may hereinafter become due under or by reason of any lease or any letting of, or any agreement for the use, sale, or occupancy of the Premises or any portion thereof (whether written or verbal), which may have been heretofore or may hereafter be made or agreed to or which may be made or agreed to by Federation under the powers herein granted, including without limitation sale contracts, leases, escrow and other agreements, it being Mortgagor’s intention hereby to establish an absolute transfer and assignment of all such leases, contracts, escrows and agreements pertaining thereto (such leases, contracts, escrows and agreements being collectively referred to hereinbelow as “agreements” and any such individual lease, contract, escrow or other agreement being referred to hereinbelow as an “agreement”), and all the avails thereof, to Federation.

(ii) Mortgagor does hereby irrevocably appoint Federation as its true and lawful attorney in its name and stead (with or without taking possession of the Premises) to rent, lease, let, or sell all or any portion of the Premises to any party or parties at such price and upon such term as Federation in its sole discretion may determine, to exercise any and all rights including rights of first refusal and options of Mortgagor to purchase and otherwise acquire title to all or any part of the Mortgaged Property, and to collect all of such rents, issues, deposits, profits and avails now due or that may hereafter become due under any and all of such agreements or other tenancies now or hereafter existing on the Premises, and to exercise any and all other rights and remedies of Mortgagor thereunder, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Federation would have upon taking possession of the Premises pursuant to the provisions set forth hereinbelow.

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(iii) This assignment confers upon Federation a power coupled with an interest and it cannot be revoked by Mortgagor.

(b) Mortgagor represents and agrees that without the prior written consent of the Federation, which consent shall not be unreasonably withheld, no rent for right of future possession will be paid by any person in possession of any portion of the Premises in excess of one installment thereof paid in advance and that no payment of rents to become due for any portion of the Premises has been or will be waived, conceded, released, reduced, discounted, or otherwise discharged or compromised by Mortgagor. Mortgagor waives any right of set off against any person in possession of any portion of the Premises. Mortgagor agrees that it will not assign any of such rents, issues, profits, deposits or avails, and shall not agree to any modification of the terms, or a voluntary surrender, of any such lease or agreement without the prior written consent of Federation.

(c) Mortgagor further agrees to assign and transfer to Federation all future leases and agreements pertaining to all or any portion of the Premises and to execute and deliver to Federation, immediately upon demand of Federation, all such further assurances and assignments pertaining to the Premises as Federation may from time to time require.

(d) Mortgagor shall, at its own cost: (i) at all times perform and observe all of the covenants, conditions and agreements of the lessor under the terms of any or all leases or similar agreements affecting all or any part of the Premises; (ii) at all times enforce and secure the performance and observance of all of the material covenants, conditions and agreements of the lessees under the terms of any or all of said leases or other agreements; (iii) appear in and defend any action or other proceeding arising out of or in any manner connected with said leases and other agreements, and to pay any and all costs of Federation incurred by reason of or in connection with said proceedings, including, without limitation, reasonable attorneys' fees, expenses and court costs; and (iv) promptly furnish Federation with copies of any notices of default either sent or received by Mortgagor under the terms of or pursuant to any of said leases or other agreements.

(e) Although it is the intention of Mortgagor and Federation that the assignment, including, without limitation, the power of attorney appointment, contained in this **Paragraph 3.24** is a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Federation shall not exercise any of the rights and powers conferred upon it herein unless and until a Default hereunder has occurred and is continuing past any applicable notice and cure period.

(f) Federation, in the exercise of the rights and powers conferred upon it herein, shall have full power to use and apply the rents, issues, deposits, profits and avails of the Premises to the payment of or on account of the following, in such order as Federation may, in its sole and absolute discretion determine:

(i) operating expenses of the Premises (including, without limitation, all costs of management, sale and leasing thereof, which shall include reasonable compensation to Federation and its agents, if management be delegated thereto, reasonable attorneys' fees, expenses and court costs, and lease or sale commissions and other compensation and expenses of seeking

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and procuring tenants or purchasers and entering into leases or sales), establishing any claims for damages, and premiums on insurance authorized hereinabove;

(ii) taxes, special assessments, water and sewer charges on the Premises now due or that may hereafter become due;

(iii) any and all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Premises (including, without limitation, the cost from time to time of installing or replacing personal property therein, and of placing the Premises in such condition as will, in the sole judgment of Federation, make them readily rentable or salable);

(iv) any indebtedness secured hereby or any deficiency that may result from any foreclosure sale pursuant thereto; and

(v) any remaining funds to Mortgagor or its successors or assigns, as their interests and rights may appear.

(g) Mortgagor does further specifically authorize and instruct each and every present and future lessee or purchaser of all or any portion of the Premises to pay all unpaid rentals or deposits agreed upon in any lease or agreement pertaining to the Premises to Federation upon receipt of demand from Federation to pay the same without any further notice or authorization by Mortgagor, and Mortgagor hereby waives any rights or claims it may have against any lessee by reason of such payments to Federation.

(h) Federation 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 or agreement pertaining to the Premises, and Mortgagor shall and does hereby agree to indemnify and hold Federation harmless from and against any and all liability, loss and damage that Federation may or might incur under any such lease or agreement or under or by reason of the assignment thereof, as well as any and all claims and demands whatsoever which may be asserted against Federation by reason of any alleged obligations or undertakings on Federation's part to perform or discharge any of the terms, covenants or conditions contained in such leases or agreements. Should Federation incur any such liability, loss or damage under any such lease or agreement or under or by reason of the assignment thereof, or in the defense of any claims or demands relating thereto, Mortgagor shall reimburse Federation for the amount thereof (including, without limitation, reasonable attorneys' fees, expenses and court costs) immediately upon demand.

(i) Nothing herein contained shall be construed as making or constituting Federation a "mortgagee in possession" in the absence of the taking of actual possession of the Premises by Federation pursuant to the provisions set forth herein. In the exercise of the powers herein granted Federation, no liability shall be asserted or enforced against Federation, all such liability being expressly waived and released by Mortgagor.

(j) Mortgagor may only enter into a new lease or amend, modify, terminate or cancel any existing lease or waive any rights thereunder, or accept a voluntary surrender of any lease, upon the prior written consent of Federation.

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3.25. Security Agreement. (a) This Mortgage shall be deemed a "Security Agreement" as defined in the Illinois Uniform Commercial Code, and creates a security interest in favor of Federation in all property including, without limitation, all personal property, fixtures and goods affecting property either referred to or described herein or in any way connected with the use or enjoyment of the Mortgaged Property. The remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law or, as to such part of the security which is also reflected in any financing statement ("Financing Statement") filed to perfect the security interest herein created, by the specific statutory consequences now or hereinafter enacted and specified in the Illinois Uniform Commercial Code, all at Federation's sole election. Mortgagor and Federation agree that the filing of such a Financing Statement in the records normally having to do with personal property shall not be construed as in any way derogating from or impairing the intention of the parties hereto that everything used in connection with the production of income from the Premises or adapted for use therein or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Federation, or (iii) any such item is referred to or reflected in any such Financing Statement so filed at any time. Similarly, the mention in any such Financing Statement of (1) the rights in or the proceeds of any fire or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) Mortgagor's interest as lessor in any present or future lease or rights to income growing out of the use or occupancy of the Mortgaged Property whether pursuant to lease or otherwise, shall never be construed as in any way altering any of the rights of Federation under this Mortgage or impugning the priority of the Federation's lien granted hereby or by any other recorded document, but such mention in the Financing Statement is declared to be for the protection of the Federation in the event any court or judge shall at any time hold with respect to (1), (2) and (3) that notice of Federation's priority of interest to be effective against a particular class of persons, including, but not limited to, the Federal Government and any subdivisions or entity of the Federal Government, must be filed in the Illinois Uniform Commercial Code records.

(b) Mortgagor shall execute, acknowledge and deliver to Federation, within ten (10) days after request by Federation, any and all security agreements, financing statements and any other similar security instruments reasonably required by Federation, in form and of content reasonably satisfactory to Federation, covering all property of any kind whatsoever owned by Mortgagor that, in the reasonable opinion of Federation, is essential to the operation of the Mortgaged Property and concerning which there may be any doubt whether title thereto has been conveyed, or a security interest therein perfected, by this Mortgage under the laws of the state in which the Premises are located. Mortgagor shall further execute, acknowledge and deliver any financing statement, affidavit, continuation statement, certificate or other document as Federation may request in order to perfect, preserve, maintain, continue and extend such security instruments. Mortgagor further agrees to pay to Federation all fees, costs and expenses (including, without limitation, all reasonable attorneys' fees and expenses and court costs) incurred by Federation in connection with the preparation, execution, recording, filing and refiling of any such document.

3.26. Fixture Financing Statement. From the date of its recording, this Mortgage shall be effective as a fixture financing statement with respect to all goods constituting part of the

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Mortgaged Property which are or are to become fixtures related to the real estate described herein. For this purpose, the following information is set forth:

- (a) Name and Address of Debtor:

ACFR LLC
4600 Main Street
Skokie, Illinois 60076

- (b) Name and Address of Secured Party:

Jewish Federation of Metropolitan Chicago
30 S. Wells Street, Room 5010
Chicago, Illinois 60606

- (c) This document covers goods which are or are to become fixtures.

3.27. Interest Laws. It being the intention of Federation and Mortgagor to comply with the laws of the State of Illinois, it is agreed that notwithstanding any provision to the contrary in the Reimbursement Agreement, this Mortgage or any of the other Reimbursement Documents, no such provision shall require the payment or permit the collection of any amount ("Excess Interest") in excess of the maximum amount of interest permitted by law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the indebtedness evidenced by the Reimbursement Agreement. If any Excess Interest is provided for, or is adjudicated to be provided for, in the Reimbursement Agreement, this Mortgage or any of the other Reimbursement Documents, then in such event: (a) the provisions of this Paragraph 3.27 shall govern and control; (b) neither Mortgagor nor any other party obligated under the terms of the Reimbursement Agreement or any of the other Reimbursement Documents shall be obligated to pay any Excess Interest; (c) any Excess Interest that Federation may have received hereunder shall, at the option of Federation, be (i) applied as a credit against the then unpaid principal balance under the Reimbursement Agreement, accrued and unpaid interest thereon not to exceed the maximum amount permitted by law, or both, (ii) refunded to the payor thereof, or (iii) any combination of the foregoing; (d) the Interest Rate (as that term is defined in the Reimbursement Agreement) shall be subject to automatic reduction to the maximum lawful contract rate allowed under the applicable usury laws of the aforesaid State, and the Reimbursement Agreement, this Mortgage and the other Reimbursement Documents shall be deemed to be automatically reformed and modified to reflect such reduction in the Interest Rate; and (e) neither Mortgagor nor any other party obligated under the terms of the Reimbursement Agreement or any of the other Reimbursement Documents shall have any action against Federation for any damages whatsoever arising out of the payment or collection of any Excess Interest.

3.28. Waiver of Subrogation and Other Rights and Defenses.

(a) The obligations of Mortgagor hereunder are independent of the obligations of Borrower, and a separate action or actions may be brought against Mortgagor whether or not action or suit is brought against Borrower or Borrower is joined in any such action or actions. At the option of Federation, Mortgagor may be joined in any action or proceeding commenced by

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Federation against Borrower in connection with or based on the Third Party Secured Obligations (as defined below) or any security therefor, and recovery may be had against Mortgagor in such action or proceeding without any requirement that Federation first assert, prosecute or exhaust any remedy or claim against Borrower. As used in this Paragraph 3.28, "Third Party Secured Obligation" means any obligations secured by this Mortgage (a "Secured Obligation") which is required to be performed by any person or entity other than Mortgagor, including Borrower under the Loan and the Reimbursement Agreement.

(b) Upon the occurrence of any Default under the Reimbursement Agreement, Federation in its sole discretion, without prior notice to or consent of Mortgagor, may elect to: (i) foreclose either judicially or non-judicially against any real or personal property security that Federation may hold for the Third Party Secured Obligations other than the Premises hereby encumbered, (ii) accept a transfer of any such security in lieu of foreclosure, (iii) compromise or adjust any of the Third Party Secured Obligations or any part of them or make any other accommodation with Borrower or Mortgagor, or (iv) exercise any other remedy against Borrower or any security other than the Premises hereby encumbered. With respect to security other than the Premises hereby encumbered, no such action by Federation shall release or limit the liability of Mortgagor, who shall remain liable under this Mortgage after the action, even if the effect of the action is to deprive Mortgagor of any subrogation rights, rights of indemnity, rights of contribution, or other rights to collect reimbursement from Borrower for any recovery by Federation against Mortgagor, whether contractual or arising by operation of law or otherwise. After any foreclosure or deed in lieu of foreclosure of any real or personal property pledged to secure any of the Third Party Secured Obligations, Mortgagor shall under no circumstances be deemed to have any right, title, interest or claim in or to such property, whether it is held by Federation or any third party.

(c) Regardless of whether Federation may have recovered against Mortgagor, Mortgagor hereby waives: (i) all rights of subrogation, all rights of indemnity, and any other rights to collect reimbursement or contribution from Borrower or any other party for any recovery by Federation against Mortgagor, whether contractual or arising by operation of law (including the United States Bankruptcy Code or any successor or similar statute) or otherwise (collectively, "Reimbursement Rights"), (ii) all rights to enforce any remedy that Federation may have against Borrower, and (iii) all rights to participate in any security now or later to be held by Federation for the Third Party Secured Obligations. To the extent Mortgagor's waiver of Reimbursement Rights is found by a court of competent jurisdiction to be void or voidable for any reason, any Reimbursement Rights Mortgagor may have against Borrower or any collateral or security shall be junior and subordinate to any rights Federation may have against Borrower and to all right, title and interest Federation may have in any such collateral or security. If any amount should be paid to Mortgagor on account of any Reimbursement Rights at any time when any the Third Party Secured Obligations have not been paid in full, such amount shall be held in trust for Federation and shall immediately be paid over to Federation to be credited and applied against the Third Party Secured Obligations, whether matured or unmatured, in accordance with the terms of the Reimbursement Agreement. The covenants and waivers of Mortgagor set forth in this Paragraph 3.28(c) shall be effective until all of the Third Party Secured Obligations have been paid and performed in full and are made solely for the benefit of Federation.

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(d) Mortgagor waives all rights and defenses that Mortgagor may have because any of the Third Party Secured Obligations may be secured by real property other than the Premises hereby encumbered. This means, among other things,

(i) Federation may collect from Mortgagor (including enforcing this Mortgage against Mortgagor) without first foreclosing on any real or personal property collateral pledged by Borrower, if any;

(ii) If Federation forecloses on any real property collateral pledged by Borrower:

(A) The amount of the Third Party Secured Obligations may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price.

(B) Federation may collect from Mortgagor (including enforcing this Mortgage against Mortgagor) even if Federation, by foreclosing on the real property collateral pledged by Borrower, if any, has destroyed any right Mortgagor may have to collect from Borrower.

This Paragraph 3.28(d) is an unconditional and irrevocable waiver of any rights and defenses Mortgagor may have because any of the Third Party Secured Obligations may be secured by real property other than the Premises hereby encumbered.

(e) Without limiting the generality of the foregoing Paragraph 3.28(d), Mortgagor understands and acknowledges that if Federation forecloses judicially or non-judicially against any real property securing any of the Third Party Secured Obligations other than the Premises hereby encumbered, that foreclosure could impair or destroy any ability that Mortgagor may have to seek reimbursement, contribution or indemnification from Borrower or others based on any Reimbursement Right Mortgagor may have for any recovery by Federation under this Mortgage. Mortgagor further understands and acknowledges that in the absence of this Paragraph 3.28, such potential impairment or destruction of Mortgagor's rights, if any, may, if applicable, entitle Mortgagor to assert a defense to this Mortgage based on any applicable law. By executing this Mortgage, Mortgagor freely, irrevocably and unconditionally: (i) waives and relinquishes that defense and agrees that Mortgagor will be fully liable under this Mortgage even though Federation may foreclose judicially or non-judicially against any real property security for the Third Party Secured Obligations other than the Premises; (ii) agrees that Mortgagor will not assert that defense in any action or proceeding which Federation may commence to enforce this Mortgage; and (iii) acknowledges and agrees that Federation is relying on this waiver in extending credit to Borrower, and that this waiver is a material part of the consideration which Federation is receiving for extending such credit to Borrower.

(f) Mortgagor waives any right or defense it may have at law or equity, including, if any, to a fair market value hearing or action to determine a deficiency judgment after a foreclosure of any property other than the Premises hereby encumbered.

(g) No provision or waiver in this Mortgage shall be construed as limiting the generality of any other provision or waiver contained in this Mortgage.

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IV.

DEFAULTS AND REMEDIES

4.01. Events Constituting Defaults. Each of the following events and their continuance past any applicable notice and cure period shall constitute a default (a “Default”) under this Mortgage:

- (a) Any Event of Default under the Reimbursement Agreement as provided therein;
- (b) Failure of Mortgagor to pay any sum secured by this Mortgage within ten (10) business days after Mortgagor has received notice such sum is due;
- (c) Failure of Mortgagor to comply with any of the requirements of **Paragraph 3.05** or **Paragraph 3.09**;
- (d) Failure of Mortgagor to perform or observe any other covenant, warranty or other provision contained in this Mortgage and not otherwise covered in any of the other provisions of this **Paragraph 4.01**; provided, if such default is capable of being cured, Mortgagor shall have a period of thirty (30) days after the date on which notice of the nature of such failure is given by Federation to Mortgagor to cure such default; and, if such default is by its nature capable of being cured but cannot be cured within said thirty (30) day period and Mortgagor diligently commences and prosecutes such cure during said thirty (30) day period, Mortgagor shall have an additional thirty (30) days to cure such default, but in no event shall the period to cure any such default exceed sixty (60) days after the date Federation’s notice is given to Mortgagor unless Federation gives its prior written consent;
- (e) Untruth or material deceptiveness or inaccuracy in any material respect of any representation or warranty contained in the Reimbursement Agreement, this Mortgage or any other Reimbursement Document, or any writing pertaining to the foregoing submitted to Federation by or on behalf of Mortgagor;
- (f) Admission by Mortgagor in writing, including, without limitation, an answer or other pleading filed in any court, of such Mortgagor’s insolvency or inability to pay its debts generally as they fall due;
- (g) Institution by Mortgagor of bankruptcy, insolvency, reorganization or arrangement proceedings of any kind under the Federal Bankruptcy Code, whether as now existing or as hereafter amended, or any similar debtors’ or creditors’ rights law, whether federal or state, now or hereafter existing, or the making by Mortgagor of a general assignment for the benefit of creditors;
- (h) Institution of any proceedings described in **Paragraph 4.01(g)** against Mortgagor that are consented to by Mortgagor or are not dismissed, vacated, or stayed within one hundred twenty (120) days after the filing thereof;
- (i) Appointment by any court of a receiver, trustee or liquidator of or for, or assumption by any court of jurisdiction of, all or any part of the Mortgaged Property or all or a

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major portion of the property of Mortgagor if such appointment or assumption is applied for or consented to by Mortgagor or if, within one hundred twenty (120) days after such appointment or assumption, such receiver, trustee or liquidator is not discharged or such jurisdiction is not relinquished, vacated or stayed;

(j) Declaration by any court or governmental agency of the bankruptcy or insolvency of Mortgagor;

(k) Any material adverse change in the financial condition of Mortgagor which causes Federation to reasonably deem itself to be insecure; or

(l) The occurrence of any default or event of default under the terms of any of the Reimbursement Documents after the expiration of the applicable notice and grace period, if any.

4.02. Acceleration of Maturity. Upon the occurrence of any Default, at the election of Federation, there shall become immediately due and payable with interest thereon at the Default Interest Rate, a sum, subject to any limitations set forth in the Reimbursement Agreement, equal to (i) the amount reasonably estimated by Federation as its aggregate contingent liability under the Keepwell Arrangement, plus (ii) costs of collection and all other sums due from Borrower and/or Mortgagor under the Reimbursement Agreement, this Mortgage, and/or any of the other Reimbursement Documents, as applicable.

4.03. Foreclosure of Mortgage. Upon the occurrence of any Default, or at any time thereafter, Federation may, at its option, proceed to foreclose the lien of this Mortgage by judicial proceedings in accordance with the laws of the state in which the Premises are located and to exercise any other remedies of Federation provided herein or in the other Reimbursement Documents, or which Federation may have at law or in equity. Any failure by Federation to exercise such option shall not constitute a waiver of its right to exercise the same at any other time.

4.04. Federation's Continuing Options. The failure of Federation to declare a Default or exercise any one or more of its options to accelerate the maturity of the indebtedness secured hereby and to foreclose the lien hereof following any Default as aforesaid, or to exercise any other option granted to Federation hereunder in any one or more instances, or the acceptance by Federation of partial payments of such indebtedness, shall neither constitute a waiver of any such Default or of Federation's options hereunder nor establish, extend or affect any grace period for payments due under the Reimbursement Agreement, but such options shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Federation, may, at Federation's option, be rescinded by written acknowledgment to that effect by Federation and shall not affect Federation's right to accelerate maturity upon or after any future Default.

4.05. Litigation Expenses. In any proceeding to foreclose the lien of this Mortgage or enforce any other remedy of Federation under the Reimbursement Agreement, this Mortgage, the other Reimbursement Documents or in any other proceeding whatsoever in connection with the Mortgaged Property in which Federation is named as a party, there shall be allowed and included, as additional indebtedness secured hereby in the judgment or decree resulting therefrom, all reasonable expenses paid or incurred in connection with such proceeding by or on behalf of Federation, including, without limitation, reasonable attorneys' fees and expenses and court costs,

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appraiser's fees, outlays for documentary evidence and expert advice, stenographers' charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of such judgment or decree) of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates and any similar data and assurances with respect to title to the Premises as Federation may deem reasonably necessary, and any other expenses and expenditures which may be paid or incurred by or on behalf of Federation and permitted by the IMF Law (as such term is hereinafter defined in Paragraph 4.09) to be included in the decree of sale, either to prosecute or defend in such proceeding or to evidence to bidders at any sale pursuant to any such decree the true condition of the title to or value of the Premises or the Mortgaged Property. All reasonable expenses of the foregoing nature, and such expenses as may be incurred in the protection of any of the Mortgaged Property and the maintenance of the lien of this Mortgage thereon, including, without limitation, the reasonable fees and expenses of, and court costs incurred by, any attorney employed by Federation in any litigation affecting the Reimbursement Agreement, this Mortgage or any of the other Reimbursement Documents or any of the Mortgaged Property, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding in connection therewith, shall be immediately due and payable by Mortgagor with interest thereon at the Default Interest Rate.

4.06. Performance by Federation. In the event of any Default, or in the event any action or proceeding is instituted which materially affects, or threatens to materially affect, Federation's interest in the Mortgaged Property, Federation may, but need not, make any payment or perform any act on Mortgagor's behalf in any form and manner deemed expedient by Federation, and Federation may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any; purchase, discharge, compromise or settle any tax lien or other prior or junior lien or title or claim thereof; redeem from any tax sale or forfeiture affecting the Mortgaged Property; or contest any tax or assessment thereon. All monies paid for any of the purposes authorized herein and all expenses paid or incurred in connection therewith, including, without limitation, reasonable attorneys' fees and court costs, and any other monies advanced by Federation to protect the Mortgaged Property and the lien of this Mortgage, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable by Mortgagor to Federation without notice and with interest thereon at the Default Interest Rate from the date an advance is made to and including the date the same is paid. The action or inaction of Federation shall never be construed to be waiver of any right accruing to Federation by reason of any default by Mortgagor or Borrower. Federation shall not incur any personal liability because of anything it may do or omit to do hereunder, nor shall any acts of Federation act as a waiver of Federation's right to accelerate the maturity of the indebtedness secured by this Mortgage or to proceed to foreclose this Mortgage.

4.07. Right of Possession. In any case in which, under the provisions of this Mortgage, Federation has a right to institute foreclosure proceedings, whether or not the entire principal sum secured hereby becomes immediately due and payable as aforesaid, or whether before or after the institution of proceedings to foreclose the lien hereof or before or after sale thereunder, Mortgagor shall, forthwith upon demand of Federation, surrender to Federation, and Federation shall be entitled to take actual possession of, the Mortgaged Property or any part thereof, personally or by its agent or attorneys, and Federation, in its discretion, may enter upon and take and maintain possession of all or any part of the Mortgaged Property, together with all documents, books, records, papers and accounts of Mortgagor or the then owner of the Mortgaged Property relating

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thereto, and may exclude Mortgagor, such owner and any agents and servants thereof wholly therefrom and may, as attorney in fact or agent of Mortgagor or such owner, or in its own name as Federation and under the powers herein granted:

(a) hold, operate, manage and control all or any part of the Mortgaged Property and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, whether legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the rents, issues, deposits, profits and avails of the Mortgaged Property, including, without limitation, actions for recovery of rent, and actions in forcible detainer, all without notice to Mortgagor;

(b) cancel or terminate any lease or sublease of all or any part of the Mortgaged Property for any cause or on any ground that would entitle Mortgagor to cancel the same;

(c) elect to disaffirm any lease or sublease of all or any part of the Mortgaged Property made subsequent to this Mortgage or subordinated to the lien hereof;

(d) extend or modify any then-existing leases and make new leases of all or any part of the Mortgaged Property, which extensions, modifications and new 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 Loan and 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, all persons whose interests in the Mortgaged Property are subject to the lien hereof and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the indebtedness secured hereby, satisfaction of any foreclosure decree or issuance of any certificate of sale or deed to any such purchaser; and

(e) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments and improvements in connection with the Mortgaged Property as may seem judicious to Federation, to insure and reinsure the Mortgaged Property and all risks incidental to Federation's possession, operation and management thereof, and to receive all rents, issues, deposits, profits and avails therefrom.

Without limiting the generality of the foregoing, Federation shall have all right, power, authority and duties as provided in the IMF Law. Nothing herein contained shall be construed as constituting Federation as mortgagee in possession in the absence of the actual taking of possession of the Premises.

4.08. Priority of Payments. Any rents, issues, deposits, profits and avails of the Property received by Federation after taking possession of all or any part of the Mortgaged Property, or pursuant to any assignment thereof to Federation under the provisions of this Mortgage shall be applied in payment of or on account of the following, in such order as Federation or, in case of a receivership, as the court, may in its sole and absolute discretion determine:

(a) operating expenses of the Mortgaged Property (including, without limitation, reasonable compensation to Federation, any receiver of the Mortgaged Property, any agent or agents to whom management of the Mortgaged Property has been delegated, and also including

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lease commissions, reasonable attorneys' fees, expenses and court costs, and other compensation for and expenses of seeking and procuring tenants and entering into leases, establishing claims for damages, if any, and paying premiums on insurance hereinabove authorized);

(b) taxes, special assessments, water and sewer charges now due or that may hereafter become due on the Mortgaged Property, or that may become a lien thereon prior to the lien of this Mortgage;

(c) any and all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Mortgaged Property (including, without limitation, the cost, from time to time, of installing or replacing any personal property therein, and of placing the Mortgaged Property in such condition as will, in the judgment of Federation or any receiver thereof, make it readily rentable or salable);

(d) any indebtedness secured by this Mortgage or any deficiency that may result from any foreclosure sale pursuant hereto; and

(e) any remaining funds to Mortgagor or its successors or assigns, as their interests and rights may appear.

4.09. Appointment of Receiver. Upon or at any time after the filing of any complaint to foreclose the lien of this Mortgage, the court may appoint upon petition of Federation, and at Federation's sole option, a receiver of the Mortgaged Property pursuant to the Illinois Mortgage Foreclosure Law, as amended (Illinois Compiled Statutes 735 ILCS 5/15-1001, et. seq.) (the "IMF Law"). Such appointment may be made either before or after sale, without notice; without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the indebtedness secured hereby; without regard to the value of the Mortgaged Property at such time and whether or not the same is then occupied as a homestead; without bond being required of the applicant; and Federation hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have all powers and duties prescribed by the IMF Law, including the power to take possession, control and care of the Mortgaged Property and to collect all rents, issues, deposits, profits and avails thereof during the pendency of such foreclosure suit and apply all funds received toward the indebtedness secured by this Mortgage, and in the event of a sale and a deficiency where Mortgagor has not waived its statutory rights of redemption, during the full statutory period of redemption, as well as during any further times when Mortgagor or its devisees, legatees, administrators, legal representatives, successors or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues, deposits, profits and avails, and shall have all other powers that may be necessary or useful in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of any such period. To the extent permitted by law, such receiver may extend or modify any then-existing leases and make new leases of the Mortgaged Property or any part thereof, which extensions, modifications and new 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 Loan, 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 Mortgaged Property are subject to the lien hereof, and upon the purchaser or purchasers at

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any such foreclosure sale, notwithstanding any redemption from sale, discharge of indebtedness, satisfaction of foreclosure decree or issuance of certificate of sale or deed to any purchaser.

4.10. Foreclosure Sale. In the event of any foreclosure sale of the Mortgaged Property, the same may be sold in one or more parcels. Federation may be the purchaser at any foreclosure sale of the Mortgaged Property or any part thereof.

4.11. Application of Proceeds. The proceeds of any foreclosure sale of the Mortgaged Property, or any part thereof, shall be distributed and applied in the following order of priority: (a) on account of all reasonable costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in **Paragraphs 4.05 and 4.06** hereof; (b) all other items that, under the terms of this Mortgage, constitute secured indebtedness additional to that evidenced by the Reimbursement Agreement, with interest thereon at the Default Interest Rate; (c) all amounts remaining unpaid under the Reimbursement Agreement, in the order of priority specified by Federation in its sole and absolute discretion; and (d) the balance, if any, to Mortgagor or its successors or assigns, as their interests and rights may appear.

4.12. Application of Deposits. In the event of any Default, Federation may, at its option, without being required to do so, apply any monies or securities that constitute deposits made to or held by Federation or any depository pursuant to any of the provisions of this Mortgage toward payment of any of Mortgagor's obligations under the Reimbursement Agreement, this Mortgage or any of Borrower's or Mortgagor's obligations under the other Reimbursement Documents in such order and manner as Federation may elect in its sole and absolute discretion. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the Mortgaged Property. Such deposits are hereby pledged as additional security for the prompt payment of the indebtedness evidenced by the Reimbursement Agreement and any other indebtedness secured hereby and shall be held to be applied irrevocably by such depository for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor.

4.13. Indemnification. Mortgagor will indemnify and hold Federation harmless from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, reasonable costs and expenses (including, without limitation, reasonable attorneys' fees, expenses and court costs) incurred by or asserted against Federation by reason of: (i) the ownership of the Mortgaged Property or any interest therein or receipt of any rents, issues, proceeds or profits therefrom; (ii) any accident, injury to or death of persons, or loss of or damage to property occurring in, on or about the Premises or any part thereof or on the adjoining sidewalks, curbs, adjacent parking areas or streets; (iii) any use, nonuse or condition in, on or about the Premises or any part thereof or on the adjoining sidewalks, curbs, adjacent parking areas or streets; (iv) any failure on the part of Mortgagor to perform or comply with any of the terms of this Mortgage; or (v) performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof, unless such suit, claim, or damage is caused by the gross negligence or willful misconduct of Federation or its agents, officers or authorized employees. Any amounts owed to Federation by reason of this **Paragraph 4.13** shall constitute additional indebtedness which is secured by this Mortgage and shall become immediately due and payable upon demand therefor, and shall bear interest at the Default Interest Rate from the date

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such loss or damage is sustained by Federation until paid. The obligations of Mortgagor under this **Paragraph 4.13** shall survive any termination or satisfaction of this Mortgage.

4.14. Waiver of Right of Redemption and Other Rights. To the full extent permitted by law, Mortgagor agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so called "**Moratorium Law**" now or at any time hereafter in force, nor take any advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or after such sale claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshaling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights it may have to require that the Premises be sold as separate tracts or units in the event of foreclosure. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption under any applicable law, including, without limitation, redemption from sale or from or under any order, judgment or decree of foreclosure, pursuant to rights herein granted, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagor and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and such other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Mortgagor agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Federation, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Reimbursement Agreement. Mortgagor acknowledges that the Premises do not constitute agricultural real estate as defined in Section 5/15-1201 of the IMF Law or residential real estate as defined in Section 5/15-1219 of the IMF Law.

4.15. UNLESS MORTGAGOR PROVIDES FEDERATION WITH EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY THIS MORTGAGE AND THE REIMBURSEMENT AGREEMENT, FEDERATION MAY PURCHASE INSURANCE AT MORTGAGOR'S EXPENSE TO PROTECT FEDERATION'S INTEREST IN THE COLLATERAL. THIS INSURANCE MAY, BUT NEED NOT, PROTECT MORTGAGOR'S INTERESTS. THE COVERAGE THAT FEDERATION PURCHASES MAY NOT PAY ANY CLAIM THAT IS MADE AGAINST MORTGAGOR IN CONNECTION WITH THE COLLATERAL. MORTGAGOR MAY LATER CANCEL ANY INSURANCE PURCHASED BY FEDERATION, BUT ONLY AFTER PROVIDING FEDERATION WITH EVIDENCE THAT MORTGAGOR HAS OBTAINED INSURANCE AS REQUIRED BY THIS MORTGAGE AND THE REIMBURSEMENT AGREEMENT. IF FEDERATION PURCHASES INSURANCE FOR THE COLLATERAL, MORTGAGOR WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES THAT MAY BE IMPOSED WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION

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OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO THE PRINCIPAL AMOUNT OF THE OBLIGATIONS OWING HEREUNDER. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF THE INSURANCE MORTGAGOR MAY BE ABLE TO OBTAIN ON ITS OWN.

V.

MISCELLANEOUS

5.01. Notices. Any notice that Federation or Mortgagor may desire or be required to give to the other hereunder shall be deemed given (i) upon receipt when delivered or if sent by nationally recognized overnight air courier, or (ii) two (2) business days after being deposited in the United States certified mail, return receipt requested, properly addressed to the party, at the address of such party set forth below, or at such other address, as the party to whom notice is to be given has specified by notice hereunder to the party seeking to give such notice:

To Federation	Jewish Federation of Metropolitan Chicago 30 South Wells Street, Room 5010 Chicago, Illinois 60606 Attn: Boaz Blumovitz
with a copy to:	Seyfarth Shaw LLP 253 S. Wacker Drive, Suite 8000 Chicago, Illinois 60606 Attention: Colleen Kelly Gomos and Melissa Vandewater
To Mortgagor	ACFR LLC 4600 Main Street Skokie, Illinois 60076 Attention: Sam Medow
with a copy to:	Much Shelist P.C. 191 N. Wacker Drive, Suite 1800 Chicago, Illinois 60606 Attention: Scott M. Lapins

Except as otherwise specifically required herein, notice of the exercise of any right or option granted to Federation by this Mortgage is not required to be given.

5.02. Time of Essence. It is specifically agreed that time is of the essence of this Mortgage.

5.03. Covenants Run with Land. All of the covenants of this Mortgage shall run with the land constituting the Premises.

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5.04. Governing Law; Litigation. The place of the location of the Mortgaged Property being the State of Illinois, this Mortgage shall be construed and enforced according to the laws of that State. To the extent that this Mortgage may operate as a security agreement under the Uniform Commercial Code, Federation shall have all rights and remedies conferred therein for the benefit of a secured party, as such term is defined therein. TO THE MAXIMUM EXTENT PERMITTED BY LAW, MORTGAGOR HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS MORTGAGE SHALL BE TRIED AND DETERMINED ONLY IN THE STATE AND FEDERAL COURT LOCATED IN THE COUNTY OF COOK, STATE OF ILLINOIS. TO THE MAXIMUM EXTENT PERMITTED BY LAW, MORTGAGOR HEREBY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS PARAGRAPH 5.04.

5.05. Rights and Remedies Cumulative. All rights and remedies set forth in this Mortgage are cumulative, and the holder of the Reimbursement Agreement and of every other obligation secured hereby may recover judgment hereon, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security of any right or remedy afforded hereby.

5.06. Severability. If any provision of this Mortgage or any paragraph, sentence, clause, phrase or word, or the application thereof, is held invalid in any circumstance, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included herein.

5.07. Non Waiver. Unless expressly provided in this Mortgage to the contrary, no consent or waiver, whether express or implied, by any interested party referred to herein to or of any breach or default by any other interested party referred to herein regarding the performance by such party of any obligations contained herein shall be deemed a consent to or waiver of the party of any obligations contained herein or shall be deemed a consent to or waiver of the performance by such party of any other obligations hereunder or the performance by any other interested party referred to herein of the same, or of any other, obligations hereunder.

5.08. Headings. The headings of sections and paragraphs in this Mortgage are for convenience or reference only and shall not be construed in any way to limit or define the content, scope or intent of the provisions hereof.

5.09. Grammar. As used in this Mortgage, the singular shall include the plural, and masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires. Whenever the words "including", "include" or "includes" are used in this Mortgage, they should be interpreted in a non-exclusive manner as though the words " , without limitation," immediately followed the same.

5.10. Successors and Assigns. This Mortgage and all provisions hereof shall be binding upon Mortgagor, its successors, assigns, legal representatives and all other persons or entities claiming under or through Mortgagor, and the word "Borrower," when used herein, shall include all such persons and entities and any others liable for the payment of the indebtedness secured hereby or any part thereof, whether or not they have executed the Reimbursement Agreement or

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this Mortgage. The word "Federation," when used herein, shall include Federation's successors, assigns and legal representatives, including all other holders, from time to time, of the Reimbursement Agreement and this Mortgage.

5.11. No Joint Venture. Mortgagor and Federation acknowledge and agree that under no circumstances shall Federation be deemed to be a partner or joint venturer with Mortgagor or any beneficiary of Mortgagor, including, without limitation, by virtue of its becoming a mortgagee in possession or exercising any of its rights pursuant to this Mortgage or pursuant to any of the other Reimbursement Documents, or otherwise.

5.12. Additional Fees.

(a) Mortgagor agrees to pay on demand all of the reasonable out-of-pocket costs and expenses of Federation (including, without limitation, the reasonable fees and out-of-pocket expenses of Federation's counsel) in connection with the preparation, negotiation, execution and delivery of the Reimbursement Agreement, this Mortgage, any of the other Reimbursement Documents and all other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith.

(b) The reasonable costs and expenses which Federation incurs in any manner or way with respect to the following shall be part of the indebtedness secured hereby, payable by Mortgagor on demand if at any time after the date of this Mortgage Federation: (i) employs counsel for advice or other representation (A) with respect to the amendment or enforcement of the Reimbursement Agreement, this Mortgage or any of the other Reimbursement Documents, (B) to represent Federation in any work-out or any type of restructuring of the Loan, or any litigation, contest, dispute, suit or proceeding or to commence, defend or intervene or to take any other action in or with respect to any litigation, contest, dispute, suit or proceeding (whether instituted by the Federation, Mortgagor or any other person or entity) in any way or respect relating to the Reimbursement Agreement, this Mortgage, any of the other Reimbursement Documents, Mortgagor's affairs or any collateral securing the indebtedness secured hereby or (C) to enforce any of the rights of Federation with respect to Mortgagor; and/or (ii) seeks to enforce or enforces any of the rights and remedies of Federation with respect to Mortgagor. Without limiting the generality of the foregoing, such reasonable expenses, costs, charges and fees include: reasonable fees, costs and expenses of attorneys, accountants and consultants; court costs and expenses; court reporter fees, costs and expenses; long distance telephone charges; telegram and telecopier charges; and expenses for travel, lodging and food.

5.13. Compliance with the Illinois Mortgage Foreclosure Law.

(a) In the event that any provision in this Mortgage shall be inconsistent with any provisions of the IMF Law, the provision of the IMF Law 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 IMF Law.

(b) Mortgagor and Federation shall have the benefit of all of the provisions of the IMF Law, including all amendments thereto which may become effective from time to time after the date hereof. In the event any provision of the IMF Law which is specifically referred to herein

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may be repealed, Federation shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference.

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

(d) Without limiting the generality of the foregoing, all reasonable expenses incurred by Federation to the extent reimbursable under any provisions of the IMF Law, whether incurred before or after any decree or judgment of foreclosure shall be added to the indebtedness hereby secured or by the judgment of foreclosure.

5.14. Intentionally Deleted.

5.15. Intentionally Deleted.

5.16. Recapture. To the extent Federation receives any payment by or on behalf of Mortgagor, which payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Mortgagor or its respective estate, trustee, receiver, custodian or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such payment or repayment, the obligation or part thereof which has been paid, reduced or satisfied by the amount so repaid shall be reinstated by the amount so repaid and shall be included within the indebtedness hereby secured as of the date such initial payment, reduction or satisfaction occurred.

5.17. Management Agreements. Mortgagor shall include a provision in any property management agreement hereafter entered into by Mortgagor with a property manager for the Mortgaged Property, whereby the property manager subordinates, to the lien of this Mortgage, any and all mechanics' lien rights that the property manager, or anyone claiming through or under the property manager, may have. Such property management agreement containing such subordination provision or a short form thereof shall, at Federation's request, be recorded with the Recorder of Deeds of Cook County, Illinois, as appropriate.

5.18. [Intentionally Omitted.]

5.19. Future Advances. This Mortgage is granted to secure not only existing indebtedness but also future advances made pursuant to the Reimbursement Agreement, and/or this Mortgage, whether such advances are obligatory or to be made at the option of Federation, or otherwise, to the same extent as if such future advances were made on the date of execution of this Mortgage, although there may be no advance made at the time of execution hereof, and although there may be no indebtedness outstanding at the time any advance is made.

5.20. JURY WAIVER. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF MORTGAGOR AND FEDERATION HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY ACTION, CAUSE OF ACTION, CLAIM, DEMAND, OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS MORTGAGE, OR IN ANY WAY CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE DEALINGS OF

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MORTGAGOR AND FEDERATION WITH RESPECT TO THIS MORTGAGE, OR THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF MORTGAGOR AND FEDERATION HEREBY AGREES THAT ANY SUCH ACTION, CAUSE OF ACTION, CLAIM, DEMAND OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT MORTGAGOR OR FEDERATION MAY FILE A COPY OF THIS MORTGAGE WITH ANY COURT OR OTHER TRIBUNAL AS WRITTEN EVIDENCE OF THE CONSENT OF EACH OF MORTGAGOR AND FEDERATION TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date and year first above written.

ACFR LLC, an Illinois limited liability company

By: [Signature]
Name: David Porush
Title: Authorized Signatory

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Olena Kucher, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that David Porush, personally known to me to be the Authorized Signatory of ACFR LLC, an Illinois limited liability company, is the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she have signed and delivered the said instrument as his/her free and voluntary act as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 21st day of July, 2020.

[Signature] Olena Kucher
Notary Public

My commission expires: 08/18/2021



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EXHIBIT A

LEGAL DESCRIPTION

PERMANENT INDEX NUMBERS:

10-28-115-004-0000

10-29-210-004-0000

COMMON ADDRESSES:

7700-7770 FRONTAGE ROAD, SKOKIE, ILLINOIS 60077

LEGAL DESCRIPTION:

Parcel 1:

That part of Lot 2 in Carl Schnur's Subdivision of part of the Northeast 1/4 and part of the Northwest 1/4 of Section 29, Township 41 North, Range 13, East of the Third Principal Meridian described as follows:

beginning at the Southeast corner of Said Lot 2, Thence Westerly along the South Line of Said Lot 2 a distance of 558 feet, thence Northerly along a line parallel with the East Line of Said Lot 2 to a point 50 feet South of the North Line of Said Lot 2; thence Westerly along a line 50 feet South of and parallel with the North Line of Said Lot 2 to the intersection of said line with the Easterly line of Gross Point Road, thence Northeasterly along the Easterly line of Gross Point Road to its intersection with the North Line of Said Lot 2; thence Easterly along the North Line of Said Lot 2 to the intersection of said line with the East Line of Said Lot 2 (the latter being Also the East Line of Section 29, Township 41 North, Range 13, East of the Third Principal Meridian); thence Southerly along said East Line of Said Lot 2 to the place of beginning, (excepting from the foregoing that part thereof lying Easterly of a line described as follows: beginning at a point in the North Line of Said Lot 2, said point being 114.4 feet West of the Northeast corner of Said Lot 2, Thence in a Southeasterly Direction to a Point on the East Line of Said Lot 2, said point being 171 feet South of the Northeast corner of Said Lot 2 aforesaid) in Cook County, Illinois.

Parcel 2:

That part of the South 198.10 feet of the North 248.10 feet of Said Lot 2 (as measured at right angles to the North Line of Said Lot 2) bounded on the West by the Easterly line of dedication of the dedicated public street and right of way commonly known as Gross Point Road and on the East by a Line being 558 feet West of and parallel with the East Line of Said Lot 2 all in Carl Schnur's Subdivision of part of the Northeast 1/4 and part of the Northwest 1/4 of Section 29, Township 41 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 3:

That part of the Southwest 1/4 of the Northwest 1/4 of Section 28, Township 41 North, Range 13, East of the Third Principal Meridian, described as follows:

beginning at the Southeast corner of Lot 2 in Carl Schnur's Subdivision of part of the Northeast 1/4 of part of the Northwest 1/4 of Section 29, Township 41 North, Range 13, East of the Third Principal Meridian; thence Northerly along the East Line of Said Lot 2 in Carl Schnur's Subdivision (the said line being Also the West Line of Section 28, Township 41 North, Range 13, East of the Third Principal Meridian) to the intersection of said line with the Southwesterly line of taking of the public right of way taken and owned by the County of Cook, State of Illinois; Thence Southeasterly along that certain arc which constitutes the Southwesterly line of taking of said public right of way, a

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distance of 450.00 feet, measured along said Arc to a point; thence Southwesterly along a straight line from said last described point to the place of beginning, in Cook County, Illinois.

The aforesaid parcels 1, 2 and 3 are collectively also known as:

that part of Lot 2 in Carl Schnur's Subdivision of part of the Northeast 1/4 and part of the Northwest 1/4 of Section 29, Township 41 North, Range 13, East of the Third Principal Meridian, according to the Plat thereof recorded December 23, 1907 as document number 4140347, together with that part of the Southwest 1/4 of the Northwest 1/4 of Section 28, Township 41 North, Range 13, East of the Third Principal Meridian, described as follows:

beginning at the Southeast corner of Said Lot 2; thence Westerly along the South Line of Said Lot 2, a distance of 558 feet (557.90 feet measured), thence Northerly along a line parallel with the East Line of Said Lot 2, making a measured angle of 89 degrees 50 minutes 09 seconds to the left of the last described course, 477.00 feet (measured), to a point 248.10 feet South of the North Line of Said Lot 2; thence Westerly along a line 248.10 feet South of and parallel with the North Line of said Lot 2, making a measured angle of 89 degrees 17 minutes 59 seconds to the right of way last described course, 270.47 feet (measured), to the intersection of said line with the Easterly line of said Gross Point Road (as occupied); thence Northeasterly along the Easterly line of gross point road, making a calculated angle of 62 degrees 06 minutes 14 seconds to the left of the last described course, 277.50 feet (calculated) to its intersection with the North Line of Said Lot 2; thence Easterly along the North Line of said Lot 2, making a calculated angle of 118 degrees 09 minutes 53 seconds to the left of the last described course, 701.66 feet (calculated), to the intersection of said line with the East Line of Said Lot 2, the latter Line Also being the East Line of Section 29, Township 41 North, Range 13, East of the Third Principal Meridian; thence South, along said East Line of Said Lot 2, making a measured angle of 89 degrees 01 minutes 29 seconds to the left of the last described course, 171 feet, to the intersection of said line with the Southwesterly line of taking of the public right-of-way taken and owned by the County of Cook, State of Illinois; thence Southeasterly along that certain arc which constitutes the Southwesterly line of said public right-of-way, a distance of 450.00 feet (448.27 calculated) as measured along said arc having a radius of 3731.10 feet concave Northeasterly to a point; thence Southwesterly 342.78 feet (measured), along a straight line from the last described point to the place of beginning; (excepting from the foregoing lot part thereof lying Easterly of a line described as follows: beginning at a point in the North line of Said Lot 2, said point being 114.4 feet West of the Northeast corner of Said Lot 2, Thence in Southeasterly direction, to a point on the East line of Said Lot 2, said point being 171 feet South of the Northeast corner of Said Lot 2 aforesaid) all in Cook County, Illinois.

Parcel 4:

Non-exclusive easement as set forth in the grant of easement recorded July 23, 1957 as document 16965400 for the benefit of Parcel 1 and Parcel 3 for the purpose of installing, operating, maintaining, enlarging, altering repairing and renewing one or more pipes or conduits for conveying or carrying storm and sanitary waters and wastes, to use the subsurface of the following described Land: the South 10 feet of Lot 2 in Carl Schnur's Subdivision of part of the Northeast 1/4 and part of the Northwest 1/4 of Section 29, Township 41 North, Range 13, East of the Third Principal Meridian, (except therefrom any portion thereof falling within Parcel 1), in Cook County, Illinois.

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EXHIBIT B

PERMITTED ENCUMBRANCES

Matters shown on that certain Title Policy issued by Fidelity National Title Insurance Company as Policy No. SC18032324.

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