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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Report Mortgage Fraud
844-768-1713



2031606027

Doc# 2031606027 Fee \$88.00

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

EDWARD M. MOODY

COOK COUNTY RECORDER OF DEEDS

DATE: 11/11/2020 11:34 AM PG: 1 OF 34

The property identified as: **PIN:** 16-01-221-037-0000

Address:

Street: 1318-22 N. Western Ave.

Street line 2:

City: Chicago

State: IL

ZIP Code: 60622

Lender: Country Life Insurance Company

Borrower: 1318 N. Western LLC

Loan / Mortgage Amount: \$4,800,000.00

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.

Chicago Title
20550037274NA1
CTT ANGRUE 1043

S Y
R 34
S Y
M Y
SC Y
E Y

Certificate number: C3ED1C68-908C-4F39-8B8A-9D5BD6D4CBA2

Execution date: 10/29/2020

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Document Prepared By and
After Recording Return to:

John J. Lipic
Meltzer Purtill & Stelle LLC
300 South Wacker Drive, Suite 2300
Chicago, IL 60606

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT made as of the 29th day of October, 2020, by 1318 N. WESTERN LLC, an Illinois limited liability company having an address at 1923 N. Diversey Parkway, Chicago, IL 60614 ("Mortgagor"), to and for the benefit of COUNTRY LIFE INSURANCE COMPANY, an Illinois stock insurance company having an address at 1701 Towanda Avenue, Bloomington, IL 61701 ("Mortgagee").

W I T N E S S E T H:

Mortgagor is justly indebted to Mortgagee for money borrowed in the amount of Four Million Eight Hundred Thousand Dollars (\$4,800,000) as evidenced by a Promissory Note (which Note together with any and all other notes executed and delivered in substitution, renewal, or extension thereof, in whole or in part, are collectively referred to as the "Note") executed by Mortgagor of even date herewith, made payable to the order of and delivered to Mortgagee, by the provisions of which Mortgagor promises to pay to Mortgagee the principal amount of Note and interest thereon as provided in Note together with all other sums (up to but not exceeding two hundred percent (200%) of the Principal Amount of Note) advanced by Mortgagee to protect the Mortgaged Premises (hereafter defined) to preserve the priority of the lien established hereby ("Other Sums"), at the place or places set forth in the Note. The Principal Amount of the Note, interest due thereon and Other Sums are collectively referred to as "Indebtedness". The Note has a final installment of principal and interest due and payable on the first (1st) day of November, 2040 (the "Maturity Date").

NOW, THEREFORE, Mortgagor to secure the payment of the Indebtedness and the performance of the terms, covenants, conditions and agreements contained herein and in the Note, and any other document executed and delivered to secure the Indebtedness (collectively the "Other Loan Documents"), DOES, by these presents, mortgage, convey, grant, warrant, bargain and sell unto Mortgagee, its successors and assigns, forever, all right, title and interest of Mortgagor, including any after-acquired title or reversion, in and to the following described lands (the "Land"):

See Exhibit A attached hereto and made a part hereof;

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TOGETHER WITH, all right, title and interest of the Mortgagor, including any after-acquired title or reversion, in and to (collectively "Other Interests"):

- A. The right of ways, roads, streets, avenues and alleys adjoining Land.
- B. All and singular the tenements, hereditaments, easements, appurtenances, passages, waters, water rights, water courses, riparian rights, other rights, liberties and privileges thereof or in any way now or hereafter appertaining, including any other claim at law or in equity as well as any after-acquired title, franchise or license and the reversion and reversions and remainder and remainders thereof.
- C. All buildings and improvements of every kind and description now or hereafter located or placed upon the Land which are now owned by Mortgagor, or which Mortgagor acquires in the future (the "Improvements") and all materials intended for construction, reconstruction, alteration and repairs of Improvements all of which materials shall be deemed a part thereof immediately upon the delivery of same.
- D. All articles of personal property now or hereafter owned by the Mortgagor and attached to or contained in and used in connection with the Land and the Improvements, including but not limited to all: cranes and craneways; furniture, furnishings and equipment furnished by Mortgagor to occupants of the Improvements; building materials and equipment located upon the Land and intended for construction, reconstruction, alteration, repair or incorporation in or to the Improvements now or hereafter to be constructed thereon, whether or not yet incorporated in such Improvements; machines, fixtures, apparatus, equipment or articles used in supplying heating, gas, electricity, air-conditioning, water, light, power, plumbing, sprinkler, waste removal, refrigeration, ventilation, and all fire sprinklers, alarm systems, protection, electronic monitoring equipment and devices; window and structural maintenance and cleaning equipment and rigs and all equipment relating to the exclusion of vermin, pests or insects and the removal of dust; lobby and other indoor and outdoor furniture, including without limitation, tables, chairs, planters, desks, sofas, shelves, lockers and cabinets, wall beds, wall sofas and other furnishings; rugs, carpets, and other floor coverings, curtains, draperies, drapery rods and brackets, awnings, window shades, venetian blinds and curtains; lamps, chandeliers and other lights; recreational equipment and materials; kitchen equipment, including without limitation, refrigerators, ovens, stoves, dishwashers, range hoods, exhaust systems and disposal units; laundry equipment and supplies including, without limitation, washers and dryers; office furniture, equipment and supplies; tractors, mowers, sweepers, snow removers, motor vehicles and other equipment used in the maintenance of the Land and Improvements; fixtures, personal property and other tangible property of any kind or character now or hereafter owned by Mortgagor and attached to or contained in and used or useful in connection with the Land or Improvements, including without limitation any and all antennae, appliances, basins, boilers, bookcases, cabinets, compactors, coolers, dehumidifiers, doors, ducts, elevators, engines, escalators, fans, fittings, furnaces, growing plants, hardware, heaters, humidifiers, incinerators, motors, pipes, pumps, radiators, screens, sinks, tools, ventilators, wall coverings, water fountains, windows, wiring, non-structural additions to

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the Land or Improvements, and all renewals or replacements therefor or articles in substitution thereof, whether or not the same be attached to the Land or Improvements; plans and specifications, designs, drawings, and other matters prepared for any construction on the Improvements; lease agreements, rental agreements, security deposits and other contracts or instruments now or at any time hereafter affecting the Land or Improvements or relating to the use or construction thereof; income, rents, issues and profits arising from the operation of the Land or Improvements; licenses, permits, authorizations and agreements necessary and required for the operation of the Land or Improvements; and the "building name" (collectively, "Personal Property"); PROVIDED that the enumeration of any specific articles of Personal Property set forth herein shall in no way exclude or be held to exclude any items not specifically enumerated. IT BEING MUTUALLY AGREED that all the aforesaid Personal Property owned by Mortgagor and placed on the Land and the Improvements shall, so far as permitted by law, be deemed to be fixtures and a part of the realty and security for the payment of the Indebtedness and, as to any such property not deemed to be fixtures and a part of Mortgaged Premises (hereafter defined), this Mortgage shall be and is a security agreement for the purpose of establishing a security interest in said property, pursuant to the Uniform Commercial Code ("UCC") of the State in which the Land is located, and additional security for the payment of Indebtedness and the performance of all other obligations of Mortgagor herein.

- E. All rents, issues, proceeds and profits accruing and to accrue from Mortgaged Premises and all right, title and interest of Mortgagor in and to any and all leases approved by Mortgagee now or hereafter on or affecting the Mortgaged Premises, whether written or oral, and all other leases and agreements for the use thereof (the "Leases"), together with all security therefore and all monies payable thereunder, subject, however, to the conditional permission of Mortgagee given to Mortgagor to collect, receive, take, use and enjoy the rentals, issues, proceeds and profits to be paid pursuant thereto.
- F. All:
- (1) proceeds heretofore or hereafter paid or payable to Mortgagor ("Proceeds") by reason of loss or damage by fire and such other hazards, casualties and contingencies ("Casualty") insured pursuant to "Insurance Policies" (hereafter defined); and
 - (2) awards and other compensation heretofore or hereafter paid or payable to Mortgagor ("Awards") for any taking by condemnation or eminent domain proceedings, either permanent or temporary ("Condemnation"), of all or any part of the Mortgaged Premises or any easement or appurtenance thereof, including consequential damage and change in grade of streets;

which Proceeds or Awards are hereby assigned to Mortgagee (Mortgagor hereby appoints Mortgagee its attorney-in-fact, coupled with an interest, and authorizes, directs and empowers such attorney-in-fact, at its option, on behalf of Mortgagor its personal

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representatives, successors and assigns, to adjust or compromise the claim for Proceeds or Awards and, except as hereinafter provided, to collect and receive the proceeds thereof, to give proper receipts and acquittances therefore and, after deducting expenses of collection, to apply the net proceeds received therefrom as a credit upon any part, as may be selected by Mortgagee, of the Indebtedness, notwithstanding that the amount owing thereon may not then be due and payable or that the same is otherwise adequately secured).

For convenience, Land and Other Interests are herein collectively referred to as the "Mortgaged Premises".

TO HAVE AND TO HOLD the Mortgaged Premises unto Mortgagee, its successors and assigns, forever, for the uses and purposes herein set forth; PROVIDED, HOWEVER, that if and when Mortgagor shall pay in full when due the Indebtedness and shall perform all of the terms, covenants, conditions and agreements contained herein and in the Other Loan Documents (as hereinafter defined), this Mortgage, the Note, and the Other Loan Documents, shall be released, at the sole cost and expense of Mortgagor, otherwise the same shall be and remain in full force and effect.

MORTGAGOR HEREBY FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. PRIORITY OF LIEN AND SUBORDINATE ENCUMBRANCES: This Mortgage is and shall remain a valid first mortgage lien on the Mortgaged Premises until the payment in full of the Indebtedness. Mortgagor shall keep the Mortgaged Premises free and clear of superior or subordinate liens or claims of every nature and kind, other than non-delinquent installments of ad valorem property taxes and special assessments, and those certain exceptions, if any, listed on Schedule B of the title insurance policy issued to and approved by Mortgagee in connection with the Loan, and shall not execute, deliver or grant any other mortgage, trust deed or security interest encumbering the Mortgaged Premises, now or at any time hereafter.

2. SUBROGATION: To the extent Mortgagee, following the date hereof, pays any sum due pursuant to any provision of law, instrument or document establishing any lien prior or superior to the lien of this Mortgage, Mortgagee shall have and be entitled to a lien on Mortgaged Premises equal in parity to that discharged and Mortgagee shall be subrogated to, receive and enjoy all rights and liens possessed, held or enjoyed by the holder of such lien, which shall remain in existence and benefit Mortgagee to secure the payment of Indebtedness. Mortgagee shall be subrogated, notwithstanding its release of record, to mortgages, trust deeds, superior titles, vendors' liens, and other liens, charges, encumbrances, rights and equities on the Mortgage Premises to the extent that any obligation thereunder is paid or discharged from the principal sum secured hereby.

3. PROMPT PAYMENT: Mortgagor shall promptly pay the Indebtedness at the times and in the manner provided in the Note and this Mortgage.

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4. TAX AND INSURANCE DEPOSITS AND APPLICATION: In addition to the payment of the Indebtedness, Mortgagor shall pay or cause to be paid to Mortgagee, concurrently with the payments required pursuant to the Note, an amount equal to the real estate taxes and special assessments, if any, next due on the Mortgaged Premises, plus the premiums that will next become due and payable on Insurance Policies, as reasonably estimated by Mortgagee, less all sums already paid therefore, divided by the number of months to elapse before one month prior to the date when such taxes, assessments and premiums will become delinquent. Any funds held by Mortgagee, or its duly authorized agent under the provisions of this paragraph, will be held in trust to pay real estate taxes, assessments and insurance premiums when the same become due and payable, and no interest will accrue or be allowed to Mortgagor, except as provided by separate agreement between Mortgagor and the servicing agent of Mortgagee.

In the event the amount deposited with Mortgagee as required in the paragraph immediately preceding this paragraph shall not be sufficient to pay said real estate taxes, assessments or insurance premiums in full when due, Mortgagor shall deposit or cause to be deposited with Mortgagee or its duly authorized agent, an amount sufficient to pay the same.

In the event the amount deposited with Mortgagee as hereinabove required exceeds the amount required to pay such real estate taxes, assessments and insurance premiums, the surplus shall, provided no Default has occurred which remains uncured, be credited by Lender on the next due installment or installments of such reserves. Upon payment in full of the Indebtedness, Mortgagee shall promptly refund to Mortgagor any remaining balance of any reserves then held by Mortgagee.

5. PAYMENT OF TAXES AND OTHER IMPOSITIONS: Mortgagor shall promptly pay, or cause to be paid, when due and payable, all ground rents, if any, and all taxes and assessments (general and special), water and sewer charges, public impositions, levies, dues and other charges, of whatever nature (collectively "Impositions"), which are now or shall hereafter be levied or assessed or which may otherwise be or become a lien upon or against the Mortgaged Premises, or any part thereof, other than matters expressly permitted herein. Mortgagor shall furnish or cause to be furnished to Mortgagee paid bills or receipts, within 30 days after the due date for payment, as proof that all Impositions have been paid when due.

6. INSURANCE POLICIES, PAYMENT AND APPLICATION OF PROCEEDS AND SETTLEMENT OF CLAIMS: Until the Indebtedness is fully paid, Mortgagor shall keep or cause the Mortgaged Premises to be continuously insured against Casualty by policies of insurance hereafter set forth, in such amounts, in such forms and for such periods as may, from time to time, be reasonably required by Mortgagee, in its commercially reasonable discretion ("Insurance Policies"), which Insurance Policies shall be written in standard policies and by insurance companies acceptable to Mortgagee, and all Insurance Policies and renewals thereof shall have attached thereto standard noncontributory mortgage clauses, which shall provide that such coverage cannot be terminated as to Mortgagee, except upon thirty (30) days written notice. At Mortgagee's option all Insurance Policies shall, with all premiums fully paid, be delivered to Mortgagee as issued at least thirty (30) days before the expiration of old Insurance Policies and shall be held by Mortgagee until the Indebtedness is fully paid. In case of sale pursuant to a foreclosure of this Mortgage or other transfer of title to the Mortgaged Premises and

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extinguishment of the Indebtedness, complete title to all Insurance Policies held by Mortgagee (or the certificates of insurance held by Mortgagee in lieu thereof) and to all prepaid or unearned premiums thereon shall pass to and vest to the purchaser or grantee. If any renewal Insurance Policy or certificate thereof is not delivered to Mortgagee thirty (30) days before the expiration of any existing Insurance Policy, with evidence of premium paid, Mortgagee may obtain the required insurance on behalf of Mortgagor (or insurance in favor of Mortgagee alone) and pay the premiums thereon. Any monies so advanced shall be so much additional Indebtedness secured hereby and shall become immediately due and payable with interest thereon at the Default Rate (hereafter defined). Mortgagee shall not by reason of accepting, rejecting, approving or obtaining insurance incur any liability for payment of losses.

Without in any way limiting the generality of the foregoing, Mortgagor agrees to maintain or cause to be maintained the following Insurance Policies with respect to the Mortgaged Premises:

- a). For those portions of the Mortgaged Premises in which Mortgagor owns the Improvements, standard all risk property insurance policy, (including vandalism and malicious mischief), boiler insurance, and sprinkler insurance (if applicable) for an amount, at a minimum, equal to the full replacement cost of the Improvements owned by Mortgagor (excluding Land), written on a replacement cost basis or with a replacement cost endorsement, with Lender's Loss Payable endorsement. If at any time a dispute arises with respect to replacement cost, Mortgagor agrees to provide at Mortgagor's expense, an insurance appraisal prepared by an insurance appraiser approved by Mortgagee, establishing the full replacement cost in a manner satisfactory to the insurance carrier;
- b). Comprehensive General Public Liability and Property Damage Insurance for an amount not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate for claims arising from any accident or occurrence in or upon the subject Mortgaged Premises;
- c). Flood Insurance whenever in the reasonable opinion of Mortgagee such protection is necessary and is available;
- d). Business interruption insurance in an amount sufficient to cover the loss of rents from the Mortgaged Premises for a period of twelve (12) months;
- e). Such other Insurance Policies as may be reasonably required from time to time by Mortgagee, upon written notice from Mortgagee to Mortgagor.

In the event any, or all, of the Insurance Policies required above is furnished by a lessee occupying space within Mortgaged Premises, Mortgagor agrees to provide Mortgagee with duplicate original Insurance Policies, if obtainable, or certificates evidencing such coverages. Such certificates are subject to Mortgagee's approval, which shall not be unreasonably withheld or delayed, and shall at Mortgagee's option, have attached thereto mortgage clauses in favor of

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and in form and content satisfactory to Mortgagee, or name Mortgagee as an additional insured, and contain thirty (30) days' notice of cancellation clauses.

Mortgagor shall not purchase separate insurance, concurrent in form or contributing in the event of loss with Insurance Policies unless Mortgagee is included thereon pursuant to a standard mortgagee clause acceptable to Mortgagee, and in the event Mortgagor does purchase such separate insurance, Mortgagor shall immediately notify Mortgagee thereof and promptly deliver to Mortgagee such policy or policies.

In case of loss by any Casualty, Mortgagor shall not settle or adjust any claim under Insurance Policies without Mortgagee's prior written consent, which consent shall not be unreasonably withheld.

In the event of a Casualty, the Proceeds may, at the sole discretion of the Mortgagee, either be applied in reduction of the Indebtedness, whether due or not, or be held by Mortgagee and used to reimburse Mortgagor for the cost of rebuilding or restoring the Mortgaged Premises; provided, however, that if no Default has occurred hereunder, such Proceeds shall be made available to Mortgagor for restoration of the Mortgaged Premises, subject to the following conditions: (a) Proceeds disbursed do not exceed 100% of the costs actually incurred; (b) the Proceeds will be disbursed under procedures established by the Mortgagee; (c) the loan to value ratio of the restored Mortgaged Premises in the Mortgagee's sole discretion is not more than 50%; (d) the projected net operating income from the Mortgaged Premises (less structural/replacement reserves) is sufficient to service the Loan as determined by Lender in its sole discretion; and (e) Mortgagor has obtained all building permits required to rebuild or restore the Mortgaged Premises to substantially the same condition as they exists as of the date hereof including but not limited to a building permit issued by the City of Chicago within 18 months after the date of such Casualty (or such shorter period of time as may be required to continue the zoning non-conforming use of the Mortgaged Premises that exists as of the date hereof). Any net Proceeds remaining after the restoration of the Mortgaged Premises as contemplated herein shall be either retained by Mortgagee and applied to the debt at Mortgagee's sole and absolute discretion, or returned to Mortgagor for such purposes as Lender may designate.

7. CONDEMNATION: In the event the Mortgaged Premises, or any part thereof, is taken by Condemnation, Mortgagor is hereby authorized to settle and adjust any Awards; provided, however, that Mortgagor shall not settle or adjust any Awards without Mortgagee's prior written consent, which consent shall not be unreasonably withheld. Mortgagee is hereby empowered to collect and receive Awards.

In the event of a Condemnation, at the sole discretion of the Mortgagee, the Awards may either be applied in reduction of the Indebtedness, whether due or not, or be held by Mortgagee and used to reimburse Mortgagor for the cost of rebuilding or restoring the Mortgaged Premises; provided, however, that if no Default has occurred hereunder, all Awards shall be made available to Mortgagor for restoration of the Mortgaged Premises, subject to the following conditions: (a) Awards disbursed do not exceed 100% of the costs actually incurred; (b) the Awards will be disbursed under procedures established by the Mortgagee; (c) the loan to value ratio of the restored Mortgaged Premises in the Mortgagee's sole discretion is not more than 50%; (d) the

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projected net operating income from the Mortgaged Premises (less structural/replacement reserves) is sufficient to service the Loan as determined by Lender in its sole discretion; and (e) Mortgagor has obtained all building permits required to rebuild or restore the Mortgaged Premises to substantially the same condition as they exist as of the date hereof including but not limited to a building permit issued by the City of Chicago within 18 months after the date of such Condemnation (or such shorter period of time as may be required to continue the zoning non-conforming use of the Mortgaged Premises that exists as of the date hereof). Any Awards remaining after the restoration of the Mortgaged Premises as contemplated herein shall be either retained by Mortgagee and applied to the debt at Mortgagee's sole and absolute discretion, or returned to Mortgagor for such purposes as Lender may designate.

8. CASUALTY OR CONDEMNATION AFTER FORECLOSURE: In the event of Casualty or Condemnation after foreclosure proceedings have been instituted, Proceeds or Awards, if not applied as specified in Paragraphs 6 and 7 above, shall be used to pay the amounts due in accordance with any decree of foreclosure which may be entered in any such proceedings and the balance, if any, shall either be paid to the owner of the equity redemption, if such owner shall be entitled to the same, or as the court may direct.

9. MORTGAGEE'S LIABILITY FOR COLLECTION OF PROCEEDS OR AWARDS: Mortgagee shall not be held liable for any failure to collect Proceeds or Awards, regardless of the cause of such failure, unless due to Mortgagee's gross negligence or willful misconduct, and:

- a). the power and authority granted to Mortgagee to collect Awards is irrevocable and coupled with an interest and shall, in no way, affect the security of this Mortgage or the liability of Mortgagor for payment of the Indebtedness; and
- b). the entry of a decree of foreclosure of the lien hereof shall not affect or impair said power and authority.

10. USE, CARE OR WASTE: Mortgagor shall:

- a). not abandon the Mortgaged Premises;
- b). not remove or demolish any part of Improvements of a structural nature which would adversely affect the value of Mortgaged Premises;
- c). not make nor permit or suffer any tenant to make any changes, additions or alterations to the Mortgaged Premises of a structural nature which would adversely affect the value thereof, except as required by any applicable statute, law or ordinance of any governmental authority having jurisdiction over the Mortgaged Premises and the intended use thereof, or as otherwise approved in writing by Mortgagee, which approval will not be unreasonably withheld;

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- d). maintain, preserve and keep, or cause to be maintained, preserved and kept, the Mortgaged Premises in good, safe and insurable condition, and for the Improvements owned by Mortgagor, repair and promptly make any needful and proper repairs, replacements, renewals, additions or substitutions required by wear and tear, damage, obsolescence or destruction, subject to the provisions of Paragraphs 6 and 7 above;
- e). promptly restore and replace, or cause to be restored and replaced, any Other Interests which are destroyed or damaged; and
- f). not commit or permit to exist any actual physical waste of the Mortgaged Premises.

Mortgagor shall comply with and cause the Mortgaged Premises, and the use and condition thereof, to comply with all statutes, ordinances, requirements, regulations, orders and decrees relating to Mortgagor or the Mortgaged Premises, or the use thereof, by any federal, state, county or other governmental authority and with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits, privileges, franchises and concessions (including), without limitation, those relating to land use and development, construction, access, water rights, noise and pollution) which are applicable to Mortgagor or have been granted for the Mortgaged Premises, or the use thereof.

11. HAZARDOUS OR TOXIC SUBSTANCES: Mortgagor represents, to the best of Mortgagor's knowledge, that the Mortgaged Premises is currently in compliance with, and Mortgagor shall continue to comply, and require tenants of the Mortgaged Premises, to comply with any and all Environmental Laws (hereinafter defined), and any other laws, regulations, or orders with respect to the discharge and removal of Hazardous Substances (hereinafter defined), required by Environmental Laws, and shall pay immediately when due, the costs of any removal of any Hazardous Substances and shall keep the Mortgaged Premises free of any lien imposed pursuant to Environmental Laws or any other laws, regulations or orders. In the event Mortgagor shall fail to do so, after notice to Mortgagor and the expiration of the later of (a) applicable cure periods hereunder; or (b) the cure period permitted under applicable Environmental Laws or any other laws, regulations or orders with respect to Hazardous Substances, Mortgagee may declare a Default under this Mortgage and/or cause the Mortgaged Premises to be remediated as required by Environmental Laws with the cost of the remediation, together with interest at the Default Rate, added to the Indebtedness. Mortgagor further agrees to use its best efforts to keep the Mortgaged Premises and the ground water of the Mortgaged Premises free of Hazardous Substances that are not in accordance with applicable law and not to permit any tenant or third party to use, generate, manufacture, store, release, threaten the release, or dispose of any Hazardous Substances at the Mortgaged Premises or in the ground water of the Mortgaged Premises, except to the extent such Hazardous Substances are in compliance with all Environmental Laws and used by Mortgagor or Mortgagor's tenants in the ordinary course of business. Mortgagor shall give Mortgagee prompt written notice of any claim by any person, entity or governmental agency that a release or disposal of Hazardous Substances has occurred at the Mortgaged Premises. Mortgagor, through its professional engineers and at its sole cost and expense, shall promptly and thoroughly investigate suspected contamination of the Mortgaged

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Premises by Hazardous Substances. If Mortgagee has reason to believe there has been a material violation of Environmental Laws, Mortgagee shall have the right to conduct a detailed inspection of the Mortgaged Premises during reasonable business hours and with reasonable notice, subject to the rights of the tenants of the Mortgaged Premises, and Mortgagor shall cooperate in the conduct thereof. Mortgagor shall pay Mortgagee's standard fee for this inspection. After the occurrence of a Default, Mortgagor shall give Mortgagee and its agents and its employees reasonable access to the Mortgaged Premises to remove Hazardous Substances if legally required, and Mortgagor agrees to indemnify and hold Mortgagee free and harmless from and against all loss, costs, damage, expense (including reasonable attorney's fees and costs) Mortgagee may sustain by reason of the assertion by any party of any claim in connection with such Hazardous Substances. The foregoing indemnification shall survive repayment of Indebtedness. Notwithstanding the foregoing, the foregoing indemnification shall not apply to the initial release of Hazardous Substances at the Mortgaged Premises after the date Mortgagee or any third-party purchaser acquires title to the Mortgaged Premises as a result of foreclosure or a transfer in lieu of foreclosure (such date being hereinafter referred to as the "Transfer Date"); provided, however, that Mortgagor shall bear the burden of proof that such initial release of such Hazardous Substance (x) first occurred subsequent to the Transfer Date, (y) did not occur as a result of any act or neglect of Mortgagor or its agents, and (z) did not occur as a result of continuing migration or release of any Hazardous Substance introduced prior to the Transfer Date in, on, under or near the Mortgaged Premises.

Mortgagor agrees that it will not install or knowingly permit to be installed at the Mortgaged Premises, asbestos or any other Hazardous Substance, and with respect to any such material currently present in the Mortgaged Premises, Mortgagor shall promptly either remove any Hazardous Substance which any Environmental Law or any other law, regulation or order require to be removed or otherwise comply with such Environmental Law, other law, regulation or order. If Mortgagor fails to so remove or otherwise comply (through a maintenance program or otherwise), Mortgagee may declare a Default under this Mortgage and upon the expiration of applicable cure periods do whatever is necessary to eliminate the Hazardous Substances from the Mortgaged Premises or otherwise comply with applicable laws, regulations, or orders; and the costs thereof shall be added to the Indebtedness. In such event, Mortgagor shall give Mortgagee and its agents and employees reasonable access to the Mortgaged Premises to remove said asbestos or other Hazardous Substances. Mortgagor shall defend, indemnify, and save Mortgagee harmless from all costs and expenses (including consequential damages) asserted or proven against Mortgagee by any party, as a result of the presence of such Hazardous Substances and any removal or compliance with applicable Environmental Laws. The foregoing indemnification shall survive the repayment of Indebtedness. Notwithstanding the foregoing, the foregoing indemnification shall not apply to the initial release of Hazardous Substances on the Mortgaged Premises from and after the Transfer Date; provided, however, that Mortgagor shall bear the burden of proof that such initial release of such Hazardous Substance (x) occurred subsequent to the Transfer Date, (y) did not occur as a result of any action of Mortgagor or its agents, and (z) did not occur as a result of continuing migration or release of any Hazardous Substance introduced prior to the Transfer Date in, on, under or near the Mortgaged Premises.

Mortgagor shall send to Mortgagee, within five (5) business days of any receipt thereof, any citation, notice of violation, or other notice of potential liability relating to the Mortgaged

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Premises from any governmental or quasi-governmental authority regarding any Environmental Law or Hazardous Substance.

For the purpose hereof:

The term "Environmental Law(s)" shall mean and include, any federal, state or local law, statute, regulation or ordinance pertaining to health, industrial hygiene or the environmental or ecological conditions on, under or about the Mortgaged Premises, including without limitation each of the following: the Comprehensive Environmental Response, Compensation and Recovery Act of 1980, as amended, 42 U.S.C. Section 9601 et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901 et seq.; Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 et seq.; the Clean Air Act, as amended, 42 U.S.C. Section 7401, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 et seq.; the Federal Hazardous Materials Transportation Act 49 U.S.C. Section 1801 et seq.; and the rules, regulations and ordinances of the U.S. Environmental Protection Agency and of all other federal, state and local agencies, boards, commissions, bodies and officers having jurisdiction over the Mortgaged Premises and Improvements or the use or operation thereof.

The term "Hazardous Substance(s)" shall mean and include, without limitation:

Those substances included within the definitions of "hazardous substances", "hazardous materials", "toxic substance" or "solid waste" in any Environmental Law.

Those other substances, materials and wastes which are or become regulated under any applicable federal, state or local law, regulation or ordinance or by any federal, state or local governmental agency, board, commission or other governmental body, or which are or become classified as hazardous or toxic by any such law, regulation or ordinance; and

Any material, waste or substance which is any of the following: (A) asbestos; (B) polychlorinated biphenyl; (C) designated or listed as a "hazardous substance" pursuant to Sections 307 or 311 of the Clean Water Act (33 U.S.C. Section 1251 et seq.); (D) explosive; or (E) radioactive.

Mortgagor hereby covenants and agrees to comply with any and all Federal, State or Local legislation, rules and regulations relating to environmental protection including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986, and such other legislation, rules and regulations as are in, or may come into, effect and apply to the Mortgagor, the Mortgagee, the transactions contemplated hereby or the collateral or any occupancy users of Mortgaged Premises, whether as lessees, tenants, licensees, or otherwise. The Mortgagor shall indemnify and hold Mortgagee harmless against any and all claims, costs or

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expenses relating to such environmental protection provisions notwithstanding any exculpatory or non-recourse provisions contained herein, or contained in the Note or the Other Loan Documents.

12. MORTGAGEE'S PERFORMANCE OF MORTGAGOR'S OBLIGATIONS: In the event of a default by Mortgagor in:

- a). the prompt discharge of any liens or encumbrances;
- b). defending title to the Mortgaged Premises;
- c). the payment of any Impositions;
- d). the procurement and maintenance of Insurance Policies;
- e). the proper maintenance and preservation of the Mortgaged Premises, including, but not limited to, the maintenance of the Mortgaged Premises free from all Hazardous Substances as described in Paragraph 11 herein;
- f). diligently and continuously pursuing the rebuilding or restoration of those Improvements owned by Mortgagor in the event of Casualty or Condemnation;

and such default is not cured or otherwise secured against, to the satisfaction of Mortgagee, Mortgagee may, after the giving of notice, if required, and the expiration of any applicable cure periods, at its election and without further demand or notice, pay and discharge such lien or encumbrance, defend the title to the Mortgaged Premises, pay such Impositions (plus any interest and penalties thereon), procure Insurance Policies and pay the premiums therefore, maintain and preserve the Mortgaged Premises, in which event, all expenditures therefore, including reasonable attorneys' fees incurred by Mortgagee shall forthwith become due and payable to Mortgagee, together with interest thereon at Default Rate, which shall be added to and become a part of the Indebtedness and shall be secured by the lien of this Mortgage, all without prejudice to the right of Mortgagee to declare the Indebtedness immediately due and payable by reason of occurrence of a Default and breach of the terms, covenants, conditions and agreements herein contained. Mortgagee shall have the right of determination as to the validity of any lien, encumbrance or Imposition attributable to or assessed against the Mortgaged Premises and the payment thereof by Mortgagee shall establish its right to recover the amount so paid, with interest at Default Rate, subject to the provisions of Paragraph 13 following.

13. CONTEST OF LIENS OR ENCUMBRANCES: In the event Mortgagor desires to contest the validity of a lien, encumbrance or Imposition attributable to or assessed against the Mortgaged Premises, it will:

- a). notify Mortgagee in writing that it intends to so contest the same, or cause the same to be contested;

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- b). prior to delinquency of the of the contested lien, encumbrance or Imposition, on demand, deposit with Mortgagee or a depository acceptable to Mortgagee, insurance over any such lien, encumbrance or Imposition or other security such as a title indemnity from a title insurance company (in form and content reasonably satisfactory to Mortgagee) which is sufficient in Mortgagee's commercially reasonable judgment for the payment of the full amount of such unpaid lien, unpaid encumbrance or unpaid Imposition, or any balance thereof then remaining unpaid (or provide to Mortgagee such other indemnity as may be reasonably acceptable to it); and
- c). from time to time deposit additional security or indemnity, so that, at all times adequate security or indemnity will be available for the payment of the full amount of the lien, encumbrance or Imposition remaining unpaid, together with all interest, penalties, costs and charges accrued or accumulated thereon.

If the foregoing deposits are made and Mortgagor continues, in good faith, to contest the validity of such lien, encumbrance or Imposition, by appropriate legal proceedings which shall operate to prevent the collection thereof and the sale of the Mortgaged Premises or any part thereof, to satisfy the same, Mortgagor shall be under no obligation to pay such lien, encumbrance or Imposition until such time as the same have been decreed, by court order, to be a valid lien on the Mortgaged Premises. Mortgagee shall have full power and authority to reduce any such security or indemnity to cash and apply the amount so received to payment of any unpaid lien, encumbrance or Imposition after the same have been decreed by court order to be a valid lien on the Mortgaged Premises to prevent the sale or forfeiture of the Mortgaged Premises for non-payment thereof, without liability on said Mortgagee for failure to apply the security or indemnity so deposited, unless Mortgagor, in writing, requests the application thereof to the payment of the particular lien, encumbrance or Imposition for which such deposit was made. Any surplus deposit retained by Mortgagee after the payment of the lien, encumbrance or Imposition for which the same was made, shall be repaid to the Mortgagor unless a Default shall exist, in which event, such surplus shall be applied by Mortgagee towards the cure of same.

14. WAIVERS: To the full extent permitted by law, Mortgagor:

- a). shall not, at any time, insist upon or plead or, in any manner whatsoever, claim, or 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 claim, take or insist upon any benefit or advantage of or from any law (now or hereafter in force) providing for the valuation or appraisal of Mortgaged Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained or to any decree, judgment or order of any court of competent jurisdiction or after such sale or sales, claim or exercise any rights pursuant to any statute now or

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hereafter in force to redeem the Mortgaged Premises so sold, or any part thereof, or relating to the marshaling thereof, upon foreclosure sale or other enforcement hereof;

- b). hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf, and 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 Mortgaged Premises subsequent to the date hereof, it being the intent of Mortgagor hereby that any and all such rights of redemption of Mortgagor and all other persons are and shall be deemed to be hereby waived to the full extent permitted by applicable law; and
- c). agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise (other than the assertion of valid legal defenses) hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Mortgagee but will suffer and permit the exercise of every such right, power and remedy as though no such law or laws has, have been or will have been made or enacted.

15. UNPERMITTED TRANSFERS; PERMITTED TRANSFERS: Mortgagor covenants and agrees that Mortgagee's willingness to enter into the financial transaction represented by the Note and secured by this Mortgage and Other Loan Documents, was expressly based, in part, upon the consideration of Mortgagor's covenants contained herein and contained in Note and Other Loan Documents, and upon Mortgagor's financial strength and ability to develop, improve, maintain, operate and manage the Mortgaged Premises and retire the Indebtedness. Further, Mortgagor acknowledges and agrees that these considerations are material considerations in the transaction out of which this Mortgage arises. Therefore, Mortgagor, for the purpose of protecting the Mortgagee's security in the Mortgaged Premises and keeping the Mortgaged Premises free from subordinate financing liens, agrees that except as expressly permitted by the terms of this Mortgage or any of the Other Loan Documents, any sale, conveyance, transfer, lease (which is substantially equivalent to a sale), further encumbrance or pledge, including a further assignment of the rents due under leases pertaining to all or any part of the Mortgaged Premises, or any other transfer of title to the Mortgaged Premises or any interest in Mortgagor, without Mortgagee's prior written consent, shall be deemed to be an unpermitted transfer ("Unpermitted Transfer") and, therefore, shall be a Default hereunder.

Notwithstanding anything contained in this Paragraph 15 to the contrary, subject to the payment of a processing and assumption fee of one percent (1%) of the then outstanding Principal Amount due under the Note, but with no change in loan terms or documents, Mortgagee will consent to a one-time transfer of the Mortgaged Premises to a purchaser who has acceptable net worth and proven property management expertise, as reasonably determined by Mortgagee. Mortgagee's consent is further subject to:

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- i. no Default then existing;
- ii. the ratio of the unpaid Principal Amount to the purchase price not exceeding sixty percent (60%) as reasonably determined by Mortgagee, however, if it does then the difference shall be paid to Mortgagee at closing of such transfer to reduce the unpaid Principal Amount accordingly; and
- iii. the prospective purchaser executing such documents upon assumption as may be reasonably required by Mortgagee, including, but not limited to, a guarantor acceptable to the Mortgagee agreeing to assume all the obligations contained in the Environmental Indemnity Agreement and Limited Guaranty Agreement of even date herewith;

Mortgagee shall, in connection a transfer and loan assumption effected in accordance with the foregoing, release the transferring Mortgagor and the original Guarantor (if and to the extent a substitute Guarantor has been approved by Lender and has executed a guaranty, an environmental indemnity agreement and any other documents reasonably required by Mortgagee) from liability under the Limited Guaranty Agreement and the Environmental Indemnity Agreement to the extent that such liability arose from acts or omissions occurring after the closing of the transfer and loan assumption; provided, however, that where the time when any act or omission took place is in dispute, the transferring Mortgagee and/or released Guarantor, as applicable, shall have the burden of proof that such act or occurrence took place after the closing of the assumption. Any reasonable legal fees and costs incurred shall be paid by Mortgagor.

16. DEFAULT: In the event Mortgagor fails (each a "Default"):
- a). to pay the whole or any part of any of the several installments of the Note within five (5) days after the due date of same; or
 - b). to perform any of the terms, agreements, covenants or conditions contained in this Mortgage or in the performance of any of the terms, agreements, covenants or conditions contained in Other Loan Documents, in each case, after the expiration of any period of grace and/or cure expressly allowed for the cure of such default in such other document or instrument, or if no express cure period is provided, then in each case, if within thirty (30) days after written notice thereof by Mortgagee to Mortgagor; provided that, in the event of any such default which cannot be reasonably cured within such thirty (30) day period, there shall be no Default hereunder if, within such thirty (30) day period, Mortgagor shall commence such cure and diligently pursue the same until completion, but in no event shall such period exceed ninety (90) days after the expiration of the initial thirty (30) day period;

then, or at any time thereafter during the continuance of any Default the entire Indebtedness, together with interest accrued thereon, shall, at the election of Mortgagee, without notice of such

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election and without demand or presentment, become immediately due and payable, anything contained herein or in the Note secured hereby to the contrary notwithstanding, and the principal balance so accelerated and declared due as aforesaid shall thereafter bear interest at the rate of Eight and Twenty-Five hundredths percent (8.25%) per annum (the "Default Rate"), but in no event shall the Default Rate exceed the maximum rate of interest allowed under applicable law.

17. REMEDIES: Upon the occurrence of a Default, Mortgagee shall have the right to immediately foreclose this Mortgage. Upon the filing of any complaint by reason thereof, the court in which the same is filed may:

- a). upon application of Mortgagee or at any time thereafter;
- b). either before or after foreclosure sale;
- c). without regard to the solvency or insolvency at the time of such application of any person then liable for the payment of Indebtedness, or any part thereof;
- d). without regard to the then value of the Mortgaged Premises or whether the same shall then be occupied in whole or in part, as a homestead by the owner of the equity of redemption; and
- e). without requiring any bond from the complaint in such proceedings;

appoint a receiver for the benefit of Mortgagee, with power to take possession, charge and control of Mortgaged Premises, to lease the same, keep the Mortgaged Premises insured and in good repair and collect all rentals during the pendency of such foreclosure suit and, in the event of foreclosure sale and a deficiency in the proceeds received therefrom, during any period of redemption. The court may, from time to time, authorize such receiver to apply the net amounts remaining in its possession, after deducting reasonable compensation for itself and its counsel to be allowed by the court, in payment (in whole or in part) of any part or all of the Indebtedness, including, without limitation, the following, in such order of application as Mortgagee may elect:

- i). to the payment of the Indebtedness;
- ii). to any amount due upon any decree entered in any suit foreclosing this Mortgage;
- iii). to costs and expenses of foreclosure and litigation upon the Mortgaged Premises including, but not limited to reasonable attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the order or judgment) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such civil actions or to evidence to bidders

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at any sale which may be had pursuant to such order or judgment the true condition of the title to or the value of the Mortgaged Premises;

- iv). to the payment of premiums due on Insurance Policies, repairs, Impositions (and any interest, penalties and costs thereon) or any other lien or charge upon Mortgaged Premises which may be or become superior to the lien of this Mortgage or of any decree foreclosing the same; and
- v). to the payment of all sums advanced by Mortgagee to cure or attempt to cure any Default by Mortgagor in the performance of any obligation or condition contained herein, in the Note, the Other Loan Documents or otherwise, to protect the security provided herein and therein, with interest on such advances at Default Rate.

Any surplus of the proceeds of foreclosure sale shall then be paid to Mortgagor. This Mortgage may be foreclosed at any time against all or successively against any part or parts of Mortgaged Premises, as Mortgagee may elect and this Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by one or any foreclosure or by one or any sale and may be foreclosed successively and in parts until all of the Mortgaged Premises shall have been foreclosed and sold.

18. REMEDIES NOT EXCLUSIVE: No remedy or right of Mortgagee hereunder or pursuant to the Note or the Other Loan Documents or otherwise available under applicable law, shall be exclusive of any other remedy or right but each such remedy or right shall be in addition to every other remedy or right now or hereinafter existing at law or in equity pursuant thereto. No delay in the exercise of or omission to exercise any remedy or right accruing upon the occurrence of a Default shall impair any such remedy or right or be construed to be a waiver of any such default or an acquiescence therein nor shall the same affect any subsequent Default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, when and as often as may be deemed expedient by Mortgagee. All obligations of Mortgagor and all rights, powers and remedies of Mortgagee expressed herein shall be in addition to and not in limitation of those provided by law in this Mortgage and the Other Loan Documents.

19. POSSESSORY RIGHTS OF MORTGAGEE: Upon the occurrence of a Default, after the institution of legal proceedings to foreclose the lien of this Mortgage or any sale thereunder, Mortgagee shall be entitled, in its sole discretion, to perform any of the following:

- a). subject to the rights of tenants, enter and take actual possession of the Mortgaged Premises, Leases and the rents payable pursuant thereto, personally or by its agents or attorneys and excluding Mortgagor therefrom;
- b). with process of law, enter upon and take and maintain possession of all of the documents, books, records, papers and accounts of Mortgagor relating thereto;

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- c). as attorney-in-fact or agent of Mortgagor, or in its own name as Mortgagee and pursuant to the powers herein granted, hold, operate, manage and control the Mortgaged Premises and the Leases and collect all rentals payable pursuant thereto and conduct the business, if any, thereof, either personally or by its agents, contractors or nominees, with full power to use such measures, legal or equitable, as, in its discretion, may be deemed proper or necessary to enforce the terms and conditions of Leases and the rentals payable pursuant thereto (including actions for the recovery of rents, actions in forcible detainer and actions in distress of rent);
- d). cancel or terminate any Lease or sublease for any cause or for any reason which would entitle Mortgagor to cancel the same;
- e). elect to disaffirm any Lease or sublease made subsequent hereto or subordinated to the lien hereof;
- f). make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Premises which, in Mortgagee's sole discretion, may seem appropriate;
- g). insure and re-insure the Mortgaged Premises against all risks incidental to Mortgagee's possession, operation and management thereof; and
- h). perform such other acts in connection with the management and operation of Mortgaged Premises as Mortgagee, in its sole discretion, may deem reasonable and proper;

Mortgagor hereby granting full power and authority to Mortgagee to exercise each and every of the rights, privileges and powers contained herein at any and all times following the occurrence of a Default.

Mortgagee, in the exercise of the rights and powers conferred upon it hereby, shall have full power to use and apply the rentals collected by it to the payment or on account of the following, in such order as it may determine:

- i). operating expenses of Mortgaged Premises, including the cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee and its agents or contractors, if management be delegated to agents or contractors, and reasonable leasing commissions and other reasonable compensation and expenses in seeking and procuring tenants and entering into Leases), established claims for damages, if any, and premiums on Insurance Policies;
- ii). Impositions, costs of repairs, decorating renewals, replacements, alterations, additions or betterments and improvements of Mortgaged Premises, including the cost, from time to time, of installing, replacing or

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repairing Mortgaged Premises and of placing Mortgaged Premises in such condition as will, in the reasonable judgment of Mortgagee, make the same readily rentable; and

iii). Indebtedness, or any part thereof.

20. OTHER REMEDIES: Upon occurrence of a Default, Mortgagee may exercise, from time to time, any rights and remedies available to it pursuant to applicable law as permitted in this Mortgage. Without limiting the generality of the foregoing, Mortgagee may exercise, from time to time, any rights and remedies available to it pursuant to the UCC, other applicable laws in effect from time to time or otherwise available to it by reason of any applicable law. Mortgagor hereby expressly waives presentment, demand, notice of dishonor and protest in connection with the Indebtedness and, to the fullest extent permitted by applicable law, any and all other notices, advertisements, hearings or process of law in connection with the exercise by Mortgagee of any of its rights and remedies hereunder. Mortgagor hereby constitutes Mortgagee its attorney-in-fact, with full power of substitution, to take possession of Personal Property upon the occurrence of a Default hereunder, as Mortgagee, in its sole discretion deems necessary or proper, to execute and deliver all instruments required by Mortgagor to accomplish the disposition of Personal Property, or any part thereof, which power of attorney is a power coupled with an interest, irrevocable until such time as Indebtedness is paid in full.

21. NON-LIABILITY OF MORTGAGEE: Notwithstanding anything contained herein, Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligations, duty or liability of Mortgagor pursuant to Leases or otherwise and Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur pursuant thereto or by reason of its exercise of its rights hereunder and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings, on its part, to perform or discharge any of the terms, covenants or agreements with respect to the Mortgaged Premises except in the event such loss, liability or damage is caused by the willful misconduct or negligence of Mortgagee, its employees or agents. Mortgagee shall not have responsibility for the control, care, management or repair of Mortgaged Premises nor shall Mortgagee be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Premises resulting in loss, injury or death to any tenants, licensee, employee or stranger upon the Mortgaged Premises unless due to the gross negligence or willful misconduct of Mortgagee. No liability shall be enforced or asserted against Mortgagee in the exercise of the powers herein granted to it and Mortgagor expressly waives and releases any such liability unless due to the gross negligence or willful misconduct of Mortgagee. In the event Mortgagee incurs any such liability, loss or damage, pursuant hereto and to any Lease or in the defense of any claim or demand, Mortgagor agrees to reimburse Mortgagee, immediately upon demand, for the amount thereof, including costs, expenses and reasonable attorneys' fees, except in the event such liability, loss or damage is caused by the willful misconduct or negligence of Mortgagee, its employees or agents.

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22. CHANGE OF LAW: In the event of an enactment, following the date hereof, of any change in law relating to the taxation of mortgages or debts secured by mortgages or the manner of collection of liens, encumbrances or Impositions, so as to substantially affect this Mortgage, the Indebtedness or Mortgagee, Mortgagor shall, in any such event, upon demand by Mortgagee, pay such liens, encumbrances or Impositions or reimburse Mortgagee therefor; PROVIDED, HOWEVER, that if, in the opinion of counsel for Mortgagee:

- a). it may be unlawful to require Mortgagor to make such payment or reimbursement; or
- b). the making of such payment may result in the payment of interest beyond the maximum amount permitted by law:

then, and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare the Indebtedness, together with interest thereon, to be and become due and payable (without prepayment premium) within one (1) year from the giving of such notice. Notwithstanding the foregoing, it is understood and agreed that Mortgagor is not obligated to pay any part of Mortgagee's federal or state income tax.

23. COMPLIANCE WITH MORTGAGE FORECLOSURE LAW: In the event that any provision in this Mortgage shall be inconsistent with any provision of the mortgage foreclosure statute applicable in the State in which the Mortgaged Premises is located (herein called the "Act") the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

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

Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under the Act, whether incurred before or after any decree or judgment of foreclosure, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

24. COMPLIANCE WITH AGREEMENTS: Mortgagor shall pay promptly and keep, observe, perform and comply with all covenants, terms and provisions of operating agreements, Leases, instruments and documents relating to Mortgaged Premises or evidencing or securing any indebtedness secured thereby and shall observe all covenants, conditions and restrictions affecting the same.

25. ASSIGNMENT OF LEASES AND RENTS: Simultaneously with the execution of this Mortgage, Mortgagor has, as additional security for the payment of indebtedness, executed and delivered to Mortgagee an Assignment of Leases and Rents (the "Assignment of Rents") under which Mortgagor has assigned to the Mortgagee, its successors and assigns, all of

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Mortgagor's interest, as Lessor, in all Leases demising all or a portion of the Mortgaged Premises, together with the rents secured thereby.

With respect to the Assignment of Rents, Mortgagor expressly covenants and agrees:

- a). that any default by it under the Assignment of Rents shall constitute a default hereunder and following the occurrence of such default, and expiration of any applicable cure period, Mortgagee shall have the right after and applicable notice and cure period to declare all unpaid Indebtedness immediately due and payable;
- b). to furnish to Mortgagee a copy of any material notice of default received from any lessee of the Mortgaged Premises.

26. SECURITY AGREEMENT AND FINANCING STATEMENTS: This Mortgage is both a real property mortgage and a "security agreement" within the meaning of the UCC. The Mortgaged Premises includes both real and personal property (including, without limitation, the Personal Property) and all other rights and interests, whether tangible or intangible in nature, of Mortgagor in the Mortgaged Premises. Mortgagor by executing and delivering this Mortgage has granted and hereby grants to Mortgagee, as security for the Indebtedness, a security interest in the Mortgaged Premises to the full extent that the Mortgaged Premises may be subject to the UCC (such portion of the Mortgaged Premises so subject to the UCC being called in this paragraph the "Collateral"). The foregoing sentence is intended to grant in favor of Mortgagee a first priority continuing lien and security interest in all of Mortgagor's assets. Mortgagor authorizes Mortgagee and its counsel to file UCC financing statements in form and substance satisfactory to Mortgagee, describing the collateral as "all assets of Mortgagor, whether now owned or existing or hereafter acquired or arising and wherever located, and all proceeds and products thereof, including, without limitation, all fixtures on the Mortgaged Premises" or words to that effect, notwithstanding that such collateral description may be broader in scope than the Collateral described in this Mortgage. This Mortgage shall also constitute a "fixture filing" for the purposes of the UCC. As such, this Mortgage covers all items of the Collateral that are or are to become fixtures. For purposes of this fixture filing, the "Debtor" is Mortgagor and the "Secured Party" is Mortgagee. A description of the land which relates to the fixtures is set forth on Exhibit A attached hereto. Mortgagor is the record owner of such land. Information concerning the security interest herein granted may be obtained from the parties at the addresses of the parties set forth in this Mortgage. If an Event of Default shall occur and be continuing, Mortgagee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the UCC, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Mortgagee may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Mortgagee, Mortgagor shall at its expense assemble the Collateral and make it available to Mortgagee at a convenient place acceptable to Mortgagee. Mortgagor shall pay to Mortgagee on demand any and all actual out-of-pocket expenses, including reasonable attorneys' fees and disbursements, incurred or paid by Mortgagee in protecting the

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interest in the Collateral and in enforcing the rights hereunder with respect to the Collateral. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Collateral, sent to Mortgagor in accordance with the provisions hereof at least ten (10) business days prior to such action, shall constitute commercially reasonable notice to Mortgagor. The proceeds of any disposition of the Collateral, or any part thereof, may be applied by Mortgagee to the payment of the Indebtedness in such priority and proportions as Mortgagee in its sole discretion shall deem proper. In the event of any change in name, identity or structure of Mortgagor, Mortgagor shall notify Mortgagee thereof and promptly after request shall execute, file and record such UCC forms as are necessary to maintain the priority of Mortgagee's lien upon and security interest in the Collateral, and shall pay all expenses and fees in connection with the filing and recording thereof. If Mortgagee shall require the filing or recording of additional UCC forms or continuation statements, Mortgagor shall, promptly after request, execute, file and record such UCC forms or continuation statements as Mortgagee shall deem necessary, and shall pay all expenses and fees in connection with the filing and recording thereof, it being understood and agreed, however, that no such additional documents shall increase Mortgagor's obligations under the Loan Documents.

27. FINANCIAL STATEMENTS: Within ninety (90) days after the end of each calendar year and, upon Mortgagee's request, within thirty (30) days after the end of each calendar quarter, Mortgagor shall furnish Mortgagee with financial statements for Mortgagor, prepared in accordance with generally accepted accounting principles, including a balance sheet and income statement, and income and operating expense statements pertaining to the operation of the Mortgaged Premises, all of which shall be certified by a member in or the manager of Mortgagor or, if available and completed, audited by an independent public accounting firm.

28. PAYMENT AND PERFORMANCE BY MORTGAGOR: In the event Mortgagor shall fail to pay or perform any of its obligations herein contained (including the payment of expenses of foreclosure and court costs), Mortgagee may, but need not, following the occurrence of a Default, make payment or perform (or cause to be paid or performed) any obligation of Mortgagor hereunder, in any form and manner deemed reasonably expedient by Mortgagee, as agent or attorney-in-fact of Mortgagor, and any amount so paid or expended (plus reasonable compensation to Mortgagee for its out-of-pocket and other expenses for each matter for which it acts hereunder), with interest thereon at Default Rate, shall be and become a part of Indebtedness and shall be paid to Mortgagee upon demand. By way of illustration and not in limitation of the foregoing, Mortgagee may, but need not:

- a). collect rentals due and owing pursuant to the Leases and prosecute the collection of the Personal Property or the proceeds thereof;
- b). purchase, discharge, compromise or settle any Imposition, lien or any other lien, encumbrance, suit, proceeding, title or claim thereof; and
- c). redeem from any tax sale or forfeiture affecting the Mortgaged Premises or contest any Imposition.

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In making any payment or securing any performance relating to any obligation of Mortgagor hereunder, Mortgagee, so long as it acts in good faith, shall have the sole discretion as to the legality, validity and amount of any lien, encumbrance or Imposition and of all other matters necessary to be determined in satisfaction thereof. No such action of Mortgagee shall be considered a waiver of any right accruing to it on account of the occurrence of a Default.

29. RELEASE: Upon payment in full of the Indebtedness, at the time and in the manner herein provided, this mortgage lien shall be null and void and an appropriate instrument of release shall promptly be made by Mortgagee to Mortgagor, at Mortgagor's expense.

30. CONSENT OR APPROVAL: The consent by Mortgagee in any single instance shall not be deemed or construed to be Mortgagee's consent in any like matter arising at a subsequent date and the failure of Mortgagee to promptly exercise any right, power, remedy or consent provided herein or at law or in equity shall not constitute or be construed as a waiver of the same nor shall Mortgagee be estopped from exercising such right, power, remedy or consent at a later date.

Any consent or approval required of and granted by Mortgagee pursuant hereto shall:

- a). be narrowly construed to be applicable only to Mortgagor and the facts identified in such consent or approval and no third party shall claim any benefit by reason thereof; and
- b). not be deemed to constitute Mortgagee a venturer or partner with Mortgagor whatsoever nor shall any privity of contract be presumed to have been established with any such third party.

If, to consider a request by Mortgagor it is necessary that Mortgagee deem it to be to its best interests to retain the assistance of any person, firm or corporation (such as, but not limited to, attorneys, appraisers, engineers, surveyors, etc.) Mortgagor shall reimburse Mortgagee for all costs incurred in connection with the employment of such parties.

31. CARE: Mortgagee shall be deemed to have exercised reasonable care in the custody and preservation of any part of the Mortgaged Premises in its possession if it takes such action for that purpose, as Mortgagor requests in writing, but failure of Mortgagee to comply with such request shall not, of itself, be deemed a failure to exercise reasonable care and no failure of Mortgagee to preserve or protect any rights with respect to Mortgaged Premises against prior parties or do any act with respect to the preservation thereof not so requested by Mortgagor shall be deemed a failure to exercise reasonable care in the custody or preservation of the Mortgaged Premises.

32. MORTGAGOR'S CONTINUING LIABILITY: This Mortgage is intended only as security for the Indebtedness and anything herein contained to the contrary notwithstanding:

- a). Mortgagor shall be and remain liable to perform all of its obligations pursuant hereto; and

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- b). Mortgagee shall, except as expressly provided herein, have no obligation or liability by reason of or arising out of this Mortgage and shall not be required or obligated, in any manner, to perform or fulfill any of the obligations of Mortgagor pursuant hereto.

33. INSPECTIONS: Mortgagee, by any authorized agent or employee and for the protection of its interest in the Mortgaged Premises, is hereby authorized and empowered to enter in and upon the Mortgaged Premises at any and all reasonable times, following reasonable advance written notice to Mortgagor, subject to the rights of the tenants of the Mortgaged Premises, for the purpose of inspecting the same and ascertaining the condition thereof.

34. INDEMNIFICATION: Mortgagor shall indemnify Mortgagee from all losses, damages and expenses, including reasonable attorneys' fees, incurred in connection with any suit or proceeding in or to which Mortgagee may be made a party for the purpose of protecting the lien of this Mortgage.

35. GOVERNING LAW: This Mortgage shall be construed in accordance with and governed by the laws of the State in which the Land is located. Whenever possible, each provision of this Mortgage shall be interpreted in such a manner as to be effective and valid pursuant to applicable law; however, if the same shall be prohibited by or invalid thereunder, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder thereof or the remaining provisions of this Mortgage.

36. MARSHALING OF ASSETS: At any foreclosure sale, the Mortgaged Premises may, at Mortgagee's option, be offered for sale for one total price, and the proceeds of such sale accounted for in one account without distinction between the items of security or without assigning to them any proportion of such proceeds, Mortgagor hereby waiving the application of any doctrine of marshaling.

37. TIME IS OF THE ESSENCE: It is specifically agreed that time is of the essence of Mortgagor's obligations under this Mortgage.

38. ADDITIONAL DOCUMENTS: Mortgagor, from time to time, will execute, acknowledge and deliver to Mortgagee upon request, and if appropriate file and record, such security agreements, assignments for security purposes, assignments absolute, financing statements, affidavits, certificates and other documents, in form and substance reasonably satisfactory to Mortgagee, as Mortgagee may reasonably request in order to perfect, preserve, continue, extend or maintain the assignments herein contained, the lien and security interest under this Mortgage or Other Loan Documents, and the priority thereof, so long as any such document does not increase the Mortgagor's obligations hereunder. Mortgagor will pay to Mortgagee upon request therefor all costs and expenses incurred in connection with the preparation, execution, recording and filing of any such document.

39. CORRECTIVE DOCUMENTS: Mortgagor shall, at the request of Mortgagee, promptly correct any defect, error or omission which may be discovered in the contents of this Mortgage or in the execution or acknowledgment hereof or in any other instrument executed in

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connection herewith or in the execution or acknowledgment of such instrument and will execute and deliver any and all additional instruments as may be reasonably requested by Mortgagee to correct such defect, error or omission.

40. PROHIBITION AGAINST SUBMITTING MORTGAGED PREMISES TO CONDOMINIUM PROPERTY ACT: Mortgagor shall not, without the prior written consent of Mortgagee, submit the Mortgaged Premises to the any condominium act or to any similar act or statute or otherwise permit cooperative ownership or the further subdivision thereof.

41. NOTICES: All notices given under this Mortgage shall be in writing to the other party at its address set forth below or at such other address as such party may designate by notice to the other party and shall be deemed given (a) three (3) Business Days (as defined below) after mailing, by certified or registered U.S. mail, return receipt requested, postage prepaid; (b) one (1) Business Day after delivery, fee prepaid, to a national overnight delivery service (such as FedEx, U.P.S. Next Day Air); (c) when received, if delivered by hand, as evidenced by a signed receipt; or (d) the date of transmission of notice sent by e-mail, telecopier or facsimile machine (with confirmation of delivery) provided notice was transmitted on a Business Day, otherwise notice shall be deemed given on the next Business Day:

If to Mortgagor: 1318 N. Western LLC
1923 W. Diversey Parkway
Chicago, IL 60614
Attn: Enda Raftery

If to Mortgagee: Country Life Insurance Company
1701 Towanda Avenue
Bloomington, IL 61701
Attn: Investments Department

Walker & Dunlop
7501 Wisconsin Avenue, Suite 1200E
Bethesda, MD 20814
Attn: Loan Servicing

A "Business Day" is any day that Mortgagee is open for business.

42. WAIVER OF TRIAL BY JURY: MORTGAGOR AND MORTGAGEE (BY ACCEPTANCE HEREOF), HAVING BEEN REPRESENTED BY COUNSEL, EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS MORTGAGE OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

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43. USA PATRIOT ACT: None of Mortgagor, any member, shareholder, or partner of Mortgagor, any party directly or indirectly owning an interest in Mortgagor, or any Guarantor is (or will be) a person with whom Mortgagee is restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury of the United States of America (including those persons named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including the September 24, 2001 Executive Order Blocking Mortgaged Premises and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or other governmental action and is not and shall not engage in any dealings or transactions or otherwise be associated with such persons. In addition, Mortgagor hereby agrees to provide to Mortgagee any additional information that Mortgagee deems necessary from time to time in order to ensure compliance with all applicable laws concerning money laundering and similar activities. The following notification is provided to Mortgagor pursuant to Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318:

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person or entity that opens an account, including any deposit account, treasury management account, loan, other extension of credit, or other financial services product. What this means for borrowers: When a borrower opens an account, if such borrower is an individual, a lender (including Mortgagee) will ask for such borrower's name, taxpayer identification number, residential address, date of birth, and other information that will allow the lender to identify such borrower, and, if such borrower is not an individual, the lender will ask for such borrower's name, taxpayer identification number, business address, and other information that will allow the lender to identify such borrower. The lender may also ask, if such borrower is an individual, to see borrower's driver's license or other identifying documents, and if such borrower is not an individual, to see such borrower's legal organizational documents or other identifying documents.

The failure of Mortgagor, or any member, shareholder, or partner of Mortgagor, any party directly or indirectly owning an interest in Mortgagor, or any Guarantor to comply with any of the provisions of the USA Patriot Act and the regulations thereunder, shall constitute a default hereunder and shall entitle the Mortgagee to exercise all its rights and remedies at law or in equity, including but not limited to exercising the right of foreclosure hereunder.

44. BENEFIT: All grants, conditions and provisions hereof shall apply, extend to and be binding upon Mortgagor and all persons claiming any interest in the Mortgaged Premises by, through or under Mortgagor, and shall inure to the benefit of Mortgagee, its successors and assigns.

45. RECOURSE. The provisions of Section 5 (Recourse Provisions) of the Note are incorporated by this reference as if fully set forth herein.

46. SINGLE-ASSET ENTITY.

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a) Mortgagor shall not hold or acquire, directly or indirectly, any ownership interest (legal or equitable) in any real or personal property other than the Mortgaged Premises, or become a shareholder of or a member or partner in any entity which acquires any property other than the Mortgaged Premises, until such time as the Indebtedness has been fully repaid.

b) The organizational documents of Mortgagor shall limit its purpose to the ownership, operation, management and disposition of the Mortgaged Premises, and the commercial purposes for which it has been formed, and such purposes shall not be amended without the prior written consent of Mortgagee.

c) Mortgagor shall:

i. maintain its assets, accounts, books, records, financial statements, stationery, invoices, and checks separate from and not commingled with any of those of any other person or entity;

ii. conduct its own business in its own name, pay its own liabilities out of its own funds, allocate fairly and reasonably any overhead for shared employees and office space, and to maintain an arm's length relationship with its affiliates;

iii. hold itself out as a separate entity, correct any known misunderstanding regarding its separate identity, maintain adequate capital in light of its contemplated business operations, and observe all organizational formalities;

iv. except as expressly permitted under the Loan Documents, not guarantee or become obligated for the debts of any other entity or person or hold out its credits as being available to satisfy the obligations of others, including not acquiring obligations or securities of its partners, members or shareholders;

v. not pledge its assets for the benefit of any other entity or person, other than to Mortgagee in connection with the Indebtedness, or make any loans or advances to any person or entity;

vi. not enter into any contract or agreement with any affiliate except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than an affiliate;

vii. not seek or permit the dissolution or winding up, in whole or in part, of Mortgagor, nor will Mortgagor merge with or be consolidated into any other entity; and

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viii. maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any affiliate or any other person or entity.

47. STATE-SPECIFIC PROVISIONS.

a) In the event of any inconsistencies between the terms and conditions of this Section 47 and the other terms and conditions of this Mortgage, the terms and conditions of this Section 47 shall control and be binding.

b) Illinois Collateral Protection Act. Unless Mortgagor provides Mortgagee with evidence of the insurance coverage required by this Mortgage, Mortgagee may purchase insurance at Borrower's expense to protect the interest of Mortgagee in the Mortgaged Premises. This insurance may, but need not, protect Mortgagor's interests. The coverage that Mortgagee purchases may not pay any claim that Mortgagor may make or any claim that is made against Mortgagor in connection with the Mortgaged Premises. Mortgagor may cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained insurance as required by this Mortgage. If Mortgagee purchases insurance for the Mortgaged Premises, Mortgagor will be responsible for the costs of that insurance, including interest and any other charges that Mortgagee may impose in connection with the placement of such insurance, until the effective date of the cancellation or expiration of such insurance. Without limitation of any other provision of this Mortgage, the cost of such insurance shall be added to the Indebtedness secured hereby. The cost of such insurance may be more than the cost of insurance Mortgagor may be able to obtain on its own.

c) Applicability of Illinois Mortgage Foreclosure Law. To ensure the maximum degree of flexibility of the Loan Documents under the Illinois Mortgage Foreclosure Law, if any provision of this Mortgage is inconsistent with any applicable provision of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-101, et seq., as amended from time to time (the "Act"), the provisions of the Act shall take precedence over the provisions of this Mortgage, but the Act shall not invalidate or render unenforceable any other provision of this Mortgage that can be fairly construed in a manner consistent with the Act. Without in any way limiting any remedies, powers and authorities of Mortgagee provided in this Mortgage or otherwise, and in addition to all of such rights, remedies, powers and authorities, Mortgagee shall also have all rights, remedies, powers and authorities permitted to the holder of a mortgage under the Act. If any provision of this Mortgage shall grant to Mortgagee any rights, remedies, powers or authorities upon Default that are more limited than what would be vested in Mortgagee under the Act in the absence of such provision, Mortgagee shall have such rights, remedies, powers and authorities that would be otherwise vested in it under the Act. Without limitation, all expenses (including reasonable attorneys' fees and costs) incurred by Mortgagee to the extent reimbursable under 735 ILCS 5/15-1510, 5/15-1512 or any other provision of the Act, whether incurred before or after any judgment of foreclosure, shall be added to the Indebtedness and included in the judgment of foreclosure.

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d) Waiver of Homestead and Redemption. Mortgagor releases and waives all rights under the homestead and exemption laws of the State of Illinois. Mortgagor acknowledges that the Mortgaged Premises does not include “agricultural real estate” or “residential real estate” (as those terms are defined in 735 ILCS 5/15-1201 and 5/15-1219). Pursuant to 735 ILCS 5/15-1601(b), Mortgagor waives any and all rights of redemption pursuant to 735 ILCS 5/15-1603 from sale or from or under any order, judgment or decree of foreclosure of this Mortgage, or other rights of redemption, which may run to Mortgagor or any other Owner of Redemption (as that term is defined in 735 ILCS 5/15-1212). Mortgagor waives all rights of reinstatement under 735 ILCS 5/15-1602 to the fullest extent permitted by Illinois law.

e) Possession or Receivership. In addition to any provision of this Mortgage authorizing Mortgagee to take or be placed in possession of the Mortgaged Premises, or for the appointment of a receiver, Mortgagee shall have the right, in accordance with 735 ILCS 5/15-1701 and 735 ILCS 5/15-1702 of the Act, to be placed in possession of the Mortgaged Premises or at its request to have a receiver appointed, and such receiver, or Mortgagee, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities, and duties as provided for in 735 ILCS 5/15-1701, 735 ILCS 5/15-1703 and 735 ILCS 5/15-1704 of the Act.

f) Business Loan. Mortgagor hereby represents and agrees that the Loan is a business loan which comes within the purview of Section 205/4, paragraph (1)(c) of Chapter 815 of the Illinois Compiled Statutes, as amended, and that the Loan is a loan secured by a mortgage on real estate which comes within the purview of Section 205/4, paragraph (1)(l) of Chapter 815 of the Illinois Compiled Statutes, as amended.

g) Protective Advances. All advances, disbursements and expenditures made or incurred by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Act (collectively “Protective Advances”), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act herein below referred to:

i. all advances by Mortgagee in accordance to: (i) preserve or restore the Mortgaged Premises; (ii) preserve the lien of the Mortgage or the priority thereof; or (iii) enforce this Mortgage, as referred to in Subsection (b) (5) of Section 5/15-1302 of the Act;

ii. payments by Mortgagee of (i) principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrances; (ii) real estate taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Mortgaged Premises or any part thereof; (iii) other obligations authorized by this Mortgage; or (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably

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necessary to preserve the status of title, as referred to in Section 5/15-1505 of the Act;

iii. advances by Mortgagee in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

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

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

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

vii. expenses incurred and expenditures made by Mortgagee for any one or more of the following: (i) if the Mortgaged Premises or any portion thereof constitutes one or more units under a condominium or similar declaration, assessments imposed upon the unit owner thereof; (ii) if Mortgagor's interest in the Mortgaged Premises is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; (iii) premiums for casualty and liability insurance paid by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or mortgagee takes possession of the Mortgaged Premises imposed by Section 5/15-1704 (c) (1) of the Act; (iv) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (v) payments deemed by Mortgagee to be required for the benefit of the Mortgaged Premises or required to be made by the owner of the Mortgaged Premises under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Mortgaged Premises; (vi) shared or common expense assessments payable to any association or corporation in which the owner of the Mortgaged Premises is a member in any way affecting the Mortgaged Premises; (vii) costs incurred by Mortgagee for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment, credit agreement or other agreement; and (viii) payments required to be paid pursuant to any lease or other agreement for occupancy of the Mortgaged Premises.

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[Remainder of this page intentionally left blank]

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IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed as of the day and year first above written.

1318 N. WESTERN LLC,
an Illinois limited liability company

By: Enda Rafferty
Name: ENDA RAFFERTY
Title: MANAGER

STATE OF ILLINOIS

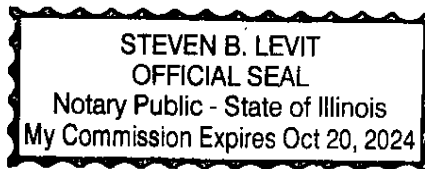
SS:

COUNTY OF COOK

I, Steven B. Levit, a Notary Public in and for and residing in said County, in the State aforesaid, do hereby certify that Enda Rafferty, the manager of 1318 N. WESTERN LLC, an Illinois limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that (s)he signed and delivered the said instrument as her/his own free and voluntary act and as the free and voluntary act of said limited liability company, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 29th day of October, 2020.

Steven B. Levit
Notary Public



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EXHIBIT A
LEGAL DESCRIPTION

LOTS 15, 16 AND 17 (EXCEPT PART TAKEN FOR WIDENING WESTERN AVENUE) IN BLOCK 1 IN WINSLOW AND JACOBSON'S SUBDIVISION OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 1, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Address: 1318-22 N. Western Avenue, Chicago, Illinois

Tax ID No.: 16-01-221-037-0000
16-01-221-038-0000
16-01-221-039-0000