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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Report Mortgage Fraud
844-768-1713



2206142054

Doc# 2206142054 Fee \$88.00

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

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 03/02/2022 02:31 PM PG: 1 OF 27

The property identified as:

PIN: 10-20-302-017-0000

Address:

Street: 6038 OAKTON

Street line 2:

City: MORTON GROVE

State: IL

ZIP Code: 60077

Lender: K.D. KIDS, L.L.C.

Borrower: PJS PARTNERS, LLC

Loan / Mortgage Amount: \$2,304,807.00

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

Certificate number: F445F15F-2137-47AB-A2E2-27BDD2D41E91

Execution date: 2/1/2022

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This Instrument Prepared by and
When Recorded Return To:

Name: Barry C. Kessler & Associates
Address: 1275 Milwaukee Avenue
Suite 300
City: Glenview
State & Zip: Illinois 60025

Space Above This Line For Recorder's Use

MORTGAGE AND SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS AND LEASES

THIS MORTGAGE AND SECURITY AGREEMENT, WITH ASSIGNMENT OF RENTS AND LEASES (this "Mortgage"), in the maximum principal amount of \$3,000,000, is made as of February 1, 2022 by PJS Partners, LLC, an Illinois limited liability company ("Borrower") of 8050 Austin Avenue, Morton Grove, IL 60046 in favor of K.D. Kids, L.L.C. with mailing address 710 Winston Drive, Elk Grove Village, IL 60007 (hereinafter referred to as "Mortgagee").

WHEREAS, the Borrower is purchasing from Mortgagee the real property legally described in Section 2.01 herein (the "Real Property"); and

WHEREAS, Mortgagee has agreed to finance Borrower's purchase of the Real Property in the amount of \$2,500,000 (referred to as "Loan") to be evidenced by a promissory note (the "Note") executed contemporaneously herewith and to be secured by this Mortgage and certain other documents, agreements, assignments, pledges and guaranties if any, (collectively referred to as the "Loan Documents") pursuant to the terms thereof.

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NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby agrees as follows:

ARTICLE I DEFINITIONS

1.01 Definitions of Terms. As used in the preambles and in this Mortgage:

“Borrower” shall refer to PJS Partners, LLC.

“Event of Default” shall have the meaning as assigned to such term in Article VI herein.

“Insured Casualty” shall mean any insured damage to or destruction of the Improvements or any part thereof.

“Loan Documents”, for purposes of this Mortgage, shall include but not be limited to this Mortgage, the Note, and all other documents and instruments executed by and between Borrower and Mortgagee surrounding the purchase by Borrower of the Property.

“Maximum Amount Secured” shall mean the maximum amount secured by the lien of this Mortgage or \$3,000,000.

“Mortgage” shall refer to this instrument.

“Note” shall refer to that certain promissory note in the principal amount of Two Million Three Hundred Four Thousand, Eight Hundred Seven and no/100 (\$2,304,807.00) Dollars executed by Borrower in favor of Mortgagee and secured by this Mortgage.

“Obligations” shall include all Obligations arising out of the Loan Documents including but not limited to payment of all Obligations of the Borrower to Mortgagee arising under the Note.

“Permitted Liens” shall refer to those exceptions to title to the Real Property set forth on Exhibit A attached hereto and made a part hereof to which Mortgagee has agreed to take subject.

“Property” shall mean the Real Property together with all Improvements thereto and other property described in Article II hereof.

“Real Property” shall mean the land described in Section 2.01, and all easements, rights-of-way, licenses, hereditaments, rights and privileges and appurtenances thereto, together with any and all other land which may at any time hereafter be conveyed by Borrower to Mortgagee as security for the Obligations of the Borrower to the Mortgagee.

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“Loan” shall refer to the balance due from time to time from Borrower to Mortgage under the Note.

“UCC” shall mean the Uniform Commercial Code as adopted by, and as in effect in, the State of Illinois, as the same may be amended from time to time.

ARTICLE II GRANTING CLAUSE

To secure the performance of all covenants and agreements contained in the Loan Documents and the payment of all of the Obligations together with all fees, charges, interest and other amounts that may come due under the Loan Documents, Borrower by these presents does hereby convey, mortgage, warrant, assign, transfer, pledge and deliver to Mortgagee, its successors and assigns, the following described Property subject to the terms and conditions herein:

2.01 Real Property. The Real Property legally described as follows:

See Exhibit A attached hereto and incorporated herein by reference.

2.02 Highways and Thoroughfares. All right, title and interest of Borrower, if any, now or at any time hereafter existing, in and to all highways, roads, streets, alleys and other public thoroughfares, bordering on or adjacent to the Real Property together with all right, title and interest of Borrower to the land making up such highways, roads, streets, alleys and other public thoroughfares and all heretofore or hereafter vacated highways, roads, streets, alleys and public thoroughfares adjoining or within the Real Property or any part thereof.

2.03 Improvements. All buildings, structures, improvements, plants, works and fixtures (the “Improvements”) now or at any time hereafter located on any portion of the Real Property and, without any further act, all extensions, additions, betterments, substitutions and replacements thereof.

2.04 Fixtures, Equipment. All right, title and interest of Borrower in and to all fixtures, furniture, furnishings, equipment, machinery, appliances, apparatus and other property of every kind and description now or at any time hereafter installed or located on or used or usable in connection with the Real Property or Improvements situated thereon, whether such right, title or interest in such items of property is now owned or hereafter acquired by Borrower, including, but not limited to, all lighting, heating, cooling, ventilating, air conditioning, humidifying, dehumidifying, plumbing, sprinkling, incinerating, refrigerating, air-cooling, lifting, fire extinguishing, cleaning, communicating and electrical systems, and the machinery, appliances, fixtures and equipment pertaining thereto, all switchboards, engines, motors, tanks, pumps, floor coverings, partitions, conduits, ducts, compressors, elevators and escalators, boilers, incinerators and the machinery,

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appliances, fixtures and equipment pertaining thereto, all of which fixtures, furnishings, furniture, equipment, machinery and other property shall be deemed to be part of the Real Property. It is the intention hereof that all property of the kind and character described in this Section 2.04 which Borrower now owns, and all of such property which it may hereafter acquire, shall be subject to the lien and security interest of this Mortgage with like effect as if now owned by Borrower and as if covered and conveyed hereby by specific and apt descriptions.

2.05 Intangible Rights, Rents. All rights, privileges, permits, licenses, easements, consents, tenements, hereditaments and appurtenances now or at any time hereafter belonging to or in any wise appertaining to the Real Property or to any property now or at any time hereafter comprising a part of the Property subject to this Mortgage; and all right, title and interest of Borrower, whether now or at any time hereafter existing, in all reversions and remainders to the Real Property and such other Property, and all rents, income, issues, profits, royalties and revenues derived from or belonging to such Real Property and other Property subject to this Mortgage or any part thereof.

2.06 Proceeds. Any and all proceeds of the conversion, whether voluntary or involuntary, of all or any part of the Real Property and other property and interests subject to this Mortgage into cash or liquidated claims, including, without limitation by reason of specification, proceeds of insurance and condemnation awards and any and all other property of every name and nature from time to time by delivery or writing of any kind conveyed, mortgaged, pledged, assigned or transferred for additional security for this Mortgage.

2.07 Future Indebtedness. This Mortgage is given to secure credit facilities and secures not only present indebtedness, but also future advances, whether such future advances are obligatory or are to be made at the option of Mortgagee, or otherwise as are to be made within twenty (20) years from the date hereof. Nothing herein shall be construed as meaning that such indebtedness has a term of twenty (20) years. The amount of indebtedness secured hereby may increase or decrease from time to time as provided herein or in any of the Loan Documents.

TO HAVE AND TO HOLD the Property unto Mortgagee, its successors and assigns, forever; provided that if Borrower pays all Obligations required to be paid to Mortgagee under the Agreement according to its terms and make all other required payments and perform all other terms, conditions, covenants and agreements contained in the Agreement, then at that time this Mortgage shall be released and cease and be void. If any improvements or property become a part of the Property after the date hereof by location or installation on the Real Property or in the building or buildings now or in the future situated thereon or otherwise, then this Mortgage shall immediately attach to and constitute a lien or security interest against such additional items without further act or deed of Borrower.

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ARTICLE III CONDITION OF TITLE

Borrower represents and warrants to and covenants with Mortgagee, its successors and assigns that: (a) it is the owner of a fee simple interest in the Property, subject only to the Permitted Liens, if any; (b) this Mortgage is and shall remain a valid and enforceable lien on the Real Property to secure the performance of each and every Obligation of Borrower set forth in the Loan Documents subject only to the Permitted Liens; and (c) it will forever warrant and defend to Mortgagee, its successors and assigns, the Real Property against all claims and demands whatsoever not specifically excepted in this Mortgage.

ARTICLE IV COVENANTS OF BORROWER

So long as any Obligation remains unpaid and in effect, Borrower shall abide by and affirmatively comply with each of the following covenants:

4.01 Payment and Performance of Obligations. The Obligations hereby secured will be promptly paid as and when the same become due and the covenants and agreements in the Loan Documents shall be timely complied with and carried out.

4.02 Insurance; Damage or Destruction.

(a) Borrower shall provide and maintain or cause to be maintained at all times the following insurance coverages, which shall be primary and noncontributing with any insurance in force or on behalf of Mortgagee, evidence of which shall be submitted to Mortgagee by Borrower, which coverages shall remain in effect until repayment in full of the Obligations:

(i) Hazard insurance covering fire, extended coverage, sprinkler leakage, vandalism and malicious mischief, in an amount equal to the full replacement value, without consideration for depreciation, with such special coverages as Mortgagee may require;

(ii) In the event the Property has a boiler, boiler explosion insurance in an amount satisfactory to Mortgagee;

(iii) Comprehensive general public liability insurance acceptable to Mortgagee insuring Borrower and naming Mortgagee as additional insured as its interest may appear, with bodily injury and death limits of not less than One Million Dollars (\$1,000,000) for any one occurrence, Two Million Dollars (\$2,000,000) in

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the aggregate, and One Million Dollars (\$1,000,000) for property damage with umbrella coverage for an additional One Million Dollars (\$1,000,000);

(iv) Flood insurance, if the Property is located in an identified flood hazard area; and

(v) Such other insurance as may be required by the terms of any lease on the Property, any Loan Document, or as Mortgagee may reasonably require from time to time.

No such policy shall be cancelable or subject to reduction of coverage or modification except after thirty (30) days prior written notice to Mortgagee. All insurers providing such policies shall have a Best's policyholder rating of at least B and a financial size rating of at least Class X. No later than fifteen (15) business days after the expiration of Borrower's policies, Borrower shall furnish Mortgagee with renewals or "binders" therefor or Mortgagee may order such insurance and charge Borrower for the cost thereof in accordance with Section 4.12 hereof.

(b) Borrower shall give Mortgagee prompt notice of any damage or destruction of the Property. All proceeds of insurance under such policies (except liability insurance and except in the case of any particular casualty resulting in a loss payment not exceeding Twenty-Five Thousand (\$25,000) Dollars in the aggregate) shall be paid to Mortgagee, and all such policies shall provide that the proceeds of such insurance (except in the case of any particular casualty resulting in loss payment not exceeding Twenty-Five Thousand (\$25,000) Dollars in the aggregate) shall be paid to Mortgagee as its interest may appear, by means of a standard mortgagee clause. In case of loss exceeding Twenty-Five Thousand (\$25,000) Dollars, Mortgagee (or after entry of judgment of foreclosure, the purchaser at the sale) is hereby authorized, to either (i) settle or adjust any claim under such insurance policies without the consent of Borrower or (ii) allow Borrower to agree with the insurance company or companies on the amount to be paid upon the loss.

(c) In the event of an Insured Casualty, and:

(i) If, in the reasonable judgment of Mortgagee, the Property can be restored to an economic unit not less valuable than the same was prior to the Insured Casualty, and adequately securing the outstanding balance of the Obligations hereby secured, then, if no Event of Default as hereinafter defined shall have occurred and Borrower shall not be in default hereunder, the proceeds of insurance shall be applied to reimburse Borrower for the cost of restoring, repairing, replacing or rebuilding the Property or part thereof subject to the Insured Casualty, as provided for in Section 4.02(d) hereof; and Borrower hereby covenants and agrees, not later than ninety (90) days after the date of the Insured Casualty, to commence and to diligently prosecute such restoring, repairing, replacing or rebuilding; provided,

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always, that Borrower shall pay all costs of such restoring, repairing, replacing or rebuilding in excess of the proceeds of insurance.

(ii) Except as provided in Section 4.02(c)(i), Mortgagee may apply the proceeds of insurance consequent upon any Insured Casualty upon the Obligations hereby secured, in such order or manner as Mortgagee may elect.

(iii) In the event that proceeds of insurance, if any, shall be made available to Borrower for the restoring, repairing, replacing or rebuilding of the Property, Borrower hereby covenants to restore, repair, replace or rebuild the same to be of at least equal value, and in the same character and of the same quality as prior to such damage or destruction; all to be effected in accordance with plans and specifications to be first submitted to and approved by Mortgagee.

(d) In the event Borrower is entitled to reimbursement out of insurance proceeds held by Mortgagee, such proceeds shall be disbursed from time to time upon Mortgagee being furnished with satisfactory evidence (i) of the estimated cost of completion of the restoration, repair, replacement and rebuilding; (ii) that funds of Borrower (or assurances satisfactory to Mortgagee that such funds are available) when combined with the proceeds of insurance, are sufficient to complete the proposed restoration, repair, replacement and rebuilding; and (iii) with such architect's certificates, waivers of lien, contractor's sworn statements and such other evidences of cost and of payment as Mortgagee may reasonably require and approve. Mortgagee may, in any event, require that all plans and specifications for such restoration, repair, replacement and rebuilding be submitted to and approved by Mortgagee prior to the commencement of work. No payment made prior to the final completion of the restoration, repair, replacement or rebuilding shall exceed ninety percent (90%) of the value of the work performed from time to time; no funds other than proceeds of insurance shall be disbursed prior to disbursement of such proceeds; and at all times the undisbursed balance of such proceeds remaining in the hands of Mortgagee, together with funds deposited for the purpose of completing the restoration, repair, replacement or rebuilding are irrevocably committed to the satisfaction of Mortgagee by or on behalf of Borrower for the purpose, shall be at least sufficient in the reasonable judgment of Mortgagee to pay for the cost of completion of the restoration, repair, replacement or rebuilding, free and clear of all liens or claims for lien. Interest shall be allowed to Borrower on account of any proceeds of insurance or other funds held by Mortgagee at the same rate being paid on Mortgagee's money market accounts and shall be available for such restoration, repair, replacement or rebuilding. Notwithstanding anything contained herein to the contrary, Mortgagee may, in its sole discretion, require that the administration of the restoration, repair, replacement and rebuilding, and the distribution of insurance proceeds be done pursuant to and in accordance with this Mortgage.

(e) All policies of insurance provided for in subsection (a) of this Section 4.02 shall be effective under a valid and enforceable policy or policies issued by an insurer of

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recognized responsibility licensed to do business in the State of Illinois, and shall be written in the names of Borrower and Mortgagee as their respective interests may appear. These policies shall provide that the proceeds of such insurance shall be payable to Mortgagee pursuant to a standard mortgagee clause to be attached to each such policy. Borrower shall deposit with Mortgagee policies evidencing all such insurance or a certificate or certificates of the respective insurers stating that such insurance is in force and effect.

4.03 Preservation and Maintenance of Property. Borrower (a) shall not commit waste or permit impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall, subject to the provisions of Paragraph 4.02(c), restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition ordinary wear and tear excepted, or such other condition as Mortgagee may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including Improvements, fixtures, equipment, machinery and appliances thereon in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply with all material laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (f) shall generally operate and maintain the Property in a manner to ensure that the rentability and marketability of the property is kept intact, and (g) shall give notice in writing to Mortgagee of and, unless otherwise directed in writing by Mortgagee, appear in and defend any action or proceeding purporting to affect the Property, the security of this Mortgage or the rights or powers of Mortgagee. Neither Borrower nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

4.04 Condemnation Proceeds. Borrower shall give Mortgagee prompt notice of any pending or threatened eminent domain proceeding of any part or all of the Property, including any damages to grade, and Borrower hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any award or claim for damages for any of the Property taken or damaged under the power of eminent domain. Mortgagee may elect to apply (or hold for application when due) the proceeds of the award upon or in reduction of the Obligations hereby secured then most remotely to be paid, whether due or not, or to require Borrower to restore or rebuild the Property in which event the proceeds shall be held by Mortgagee and used to reimburse Borrower for the cost of such rebuilding and restoring. If Borrower is required or permitted to rebuild or restore the Property as aforesaid, such rebuilding or restoration shall be effected solely in accordance with plans and specifications previously submitted to and approved by Mortgagee, and proceeds of the award shall be paid out in the same manner as is provided in Section 4.02 for the payment of insurance proceeds towards the costs of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of rebuilding or restoration and if Mortgagee and Borrower determine to rebuild or restore the Property, Borrower shall pay such costs in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of the award after payment of

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such costs of rebuilding or restoration shall, at the option of Mortgagee, be applied (or held for application when due) on account of the Obligations hereby secured, then most remotely to be paid or be paid to any other party entitled thereto. Notwithstanding any taking by eminent domain, Borrower shall continue to pay interest on the entire principal sum secured until any such award or payment shall have been actually received by Mortgagee and any reduction in the principal sum resulting from the application by Mortgagee of such award or payment as hereinafter set forth shall be deemed to take effect only on the date of such receipt. If, prior to the receipt by Mortgagee of such award or payment, the Property shall have been sold on foreclosure of this Mortgage, Mortgagee shall have the right to receive such award or payment to the extent of any deficiency found to be due upon such sale, with interest thereon at the highest rate provided for under any credit facility in the Agreement whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, and of the reasonable attorneys' fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award or payment. No prepayment penalty shall be charged on amounts received by Mortgagee pursuant to an award under the power of eminent domain.

4.05 Expenses of Litigation. If any action or proceeding be commenced, to which action or proceeding Mortgagee is or becomes a party or in which it becomes necessary to defend or uphold the lien of this Mortgage, all sums paid by Mortgagee for the expenses of any litigation, mediation, arbitration, bankruptcy, administrative proceedings, and appeals therefrom (including reasonable attorneys' and paralegals' fees) to prosecute or defend the rights and lien created by this Mortgage or emanating from the other Loan Documents shall, on notice and demand, be paid by Borrower, together with the interest thereon at the highest rate provided for in the Note and shall be a lien on the Property, prior to any right or title to, interest in or claim upon the Property subordinate to the lien of this Mortgage, and shall be deemed to be secured by this Mortgage.

4.06 Compliance with Laws. Borrower covenants and represents that the Property complies with all material covenants and restrictions affecting the Property, with all applicable building and zoning laws, and Borrower shall at all times so own and use the same and take all steps necessary to assure such compliance at all times. Borrower shall not initiate or acquiesce in any zoning reclassification, or seek any conditional use permit, without Mortgagee's written consent.

4.07. No Further Encumbrances. Borrower will keep the Property free from all liens and encumbrances, whether inferior or superior to the lien of this Mortgage, except for the Permitted Liens. Any person, firm or corporation taking a mortgage, lien or other encumbrance against the Property (except for those that are Permitted Liens) shall take the said lien subject to the rights of Mortgagee herein and the right of Mortgagee to amend, modify and supplement this Mortgage and the Loan Documents, and to extend the maturity of the Obligations hereby secured, in each and every case without obtaining the consent of the holder of any such liens and without the lien of this Mortgage losing its priority over the rights of any such liens.

4.08 Transfers. Borrower may not transfer all or any part of its interest in the Property without the prior approval of Mortgagee.

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4.09 Leases. Borrower shall comply with and observe Borrower's obligations under all leases of the Property or any part thereof. Borrower shall not lease any portion of the Property without securing the prior written approval of Mortgagee. Borrower, at Mortgagee's request and expense, shall furnish Mortgagee with copies of all executed leases now existing or hereafter made of all or any part of the Property.

4.10 Uniform Commercial Code Security Agreement.

(a) Borrower (as debtor) hereby grants to Mortgagee (as creditor and secured party) a security interest under the UCC in all fixtures, machinery, appliances, equipment, furniture and personal property of every nature whatsoever constituting part of the Property. Borrower shall execute any and all documents, including without limitation financing statements pursuant to the UCC, as Mortgagee may request to preserve, maintain and perfect the priority of the first lien and security interest created hereby on property which may be deemed personal property or fixtures, and shall pay to Mortgagee on demand any expenses incurred by Mortgagee in connection with the preparation, execution and filing of any such documents. Borrower hereby authorizes and empowers Mortgagee and irrevocably appoints Mortgagee the agent and attorney-in-fact of Borrower to execute and file, on Borrower's behalf, all financing statements and refilings and continuations thereof as Mortgagee deems necessary or advisable to create, preserve and protect such lien. When and if Borrower and Mortgagee shall respectively become the debtor and secured party in any UCC financing statement affecting the Property (or Mortgagee takes possession of personal property delivered by Borrower where possession is the means of perfection of the security interest), then, at Mortgagee's sole election, this Mortgage shall be deemed a security agreement as defined in such UCC, and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law, or, as to such part of the security which is also reflected in such financing statement, by the specific statutory consequences now or hereafter enacted and specified in the UCC.

(b) Without limitation of the foregoing, if an Event of Default occurs, Mortgagee shall be entitled immediately to exercise all remedies available to it under the UCC and this Section 4.10. Borrower shall, in such event and if Mortgagee so requests, assemble the tangible personal property at Borrower's expense, at a convenient place designated by Mortgagee. Mortgagee may publicly or privately sell or otherwise dispose of such fixtures, machinery, appliances, equipment, furniture and personal property upon such terms and in such manner as Mortgagee may require. Borrower shall pay all expenses incurred by Mortgagee in the collection of such Obligations, including reasonable attorneys' fees and legal expenses, and in the repair of any real estate or other property to which any of the tangible personal property may be affixed. If any notification of intended disposition of any of the personal property is required by law, such notification shall be deemed reasonable and proper if given at least ten (10) days before such disposition. Any proceeds of the disposition of any of the personal property may be applied by Mortgagee to the payment of the reasonable expenses of retaking, holding, preparing for sale and selling the personal property, including reasonable attorneys' fees, and any balance of such proceeds may be applied by Mortgagee toward the payment

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of such Obligations, and in such order of application, as Mortgagee may from time to time elect. If an Event of Default occurs, Mortgagee shall have the right to exercise and shall automatically succeed to all rights of Borrower with respect to intangible personal property subject to the security interest granted herein. Any party to any contract subject to the security interest granted herein shall be entitled to rely on the rights of Mortgagee without the necessity of any further notice or action by Borrower. Mortgagee shall not by reason of this Mortgage or the exercise of any right granted hereby be obligated to perform any obligation of Borrower with respect to any portion of the personal property nor shall Mortgagee be responsible for any act committed by Borrower, or any breach or failure to perform by Borrower with respect to any portion of the personal property.

(c) Borrower and Mortgagee agree that the filing of a financing statement in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing the express declaration and intention of the parties hereto, hereinabove stated, that everything used in connection with the production of income from the Property and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings, legal or equitable, shall be regarded as part of the Property encumbered by this Mortgage irrespective of whether (i) any such item is physically attached to the Real Property or Improvements, (ii) serial numbers are used for better identification of certain equipment items capable of being thus identified in a recital contained herein or in any lists filed with Mortgagee, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) Borrower's interest as lessor in the Property, whether pursuant to lease or otherwise, shall never be construed as in any way altering any of the rights of Mortgagee as determined by this instrument or adversely affecting the priority of Mortgagee's lien granted hereby or by any other recorded document. Any such mention in any such financing statement is declared to be for the protection of Mortgagee in the event any court or judge shall at any time hold with respect to clauses (1), (2) or (3) above, that notice of Mortgagee's priority of interest, to be effective against a particular class of persons, including, but not limited to, the federal government and any subdivisions or entity of the federal government must be filed in the UCC records.

4.11 Use of Property. Unless required by applicable law or unless Mortgagee otherwise agrees in writing, which consent shall not be unreasonably withheld, Borrower shall not allow material changes in the use for which all or any part of the Property was intended at the time this Mortgage was executed.

4.12 Protection of Mortgagee's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Mortgagee therein, including, but not limited to, eminent domain, insolvency, code enforcement or arrangements or proceedings involving a bankrupt or decedent, then Mortgagee, at its option, may upon ten (10) days' notice to Borrower (except where such notice would be extremely impractical) make such appearances, disburse such

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sums and take such action as Mortgagee deems necessary, in its sole discretion, to protect Mortgagee's interest, including, but not limited to: (i) disbursement of reasonable attorneys' fees; (ii) entry upon the Property to make repairs; or (iii) procurement of satisfactory insurance as provided in Section 4.02 hereof. Any amounts disbursed by Mortgagee pursuant to this Section 4.12, with interest thereon, shall become additional Obligations of Borrower secured by this Mortgage. Unless Borrower and Mortgagee agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the highest rate stated in the Agreement unless such rate of interest exceeds applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law. Borrower hereby covenants and agrees that Mortgagee shall be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the Obligations secured hereby. Nothing contained in this Section 4.12 shall require Mortgagee to incur any expense or take any action hereunder.

4.13 Inspection. Borrower shall permit Mortgagee, and its duly authorized agents, experts, engineers and representatives, upon at least 24 hours' prior notice, to make or cause to be made entries upon and inspections of the Property during normal business hours at all times during the term hereof. Borrower shall assist Mortgagee in conducting all inspections and shall make access available to Mortgagee to all tenant areas.

4.14 Books and Records. Borrower shall keep and maintain at all times at Borrower's address stated below or upon ten (10) days' prior notice to Mortgagee, at such other place as designated by Borrower, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Mortgagee, and Mortgagee may copy the same at Mortgagee's expense, provided that Mortgagee may use and/or release such information only in connection with the administration or enforcement of this mortgage or the other Loan Documents. Borrower shall provide Mortgagee with its financial statements from time to time as Mortgagee may request, and at Borrower's expense, a rent schedule for the Property, certified by Borrower, showing the name of each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid and the amount and location of any security deposit.

4.15 Payment of Taxes and Assessments. Borrower shall pay before the same become delinquent, all real and personal property taxes, assessments (whether general or special), gas, electric, light, power, water and sewer charges, business, sales, use and occupation taxes, all permit and inspection fees, all license and occupation fees, and such other charges now or hereafter levied or assessed against the Property or any part thereof; provided, however, Borrower may contest such charges, levies and liens in good faith provided that prior written notice of such contest is provided to Mortgagee, and in the sole discretion of Mortgagee, adequate security is posted by Borrower. Upon request, Borrower shall exhibit to Mortgagee receipts for the payment of the foregoing items.

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4.16 Valid and Binding Agreement. Borrower covenants and warrants that this Mortgage is a valid and enforceable obligation of Borrower in accordance with its respective terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity, and that the performance by Borrower of the terms hereof does not contravene any covenant in any agreement, indenture or other document affecting Borrower.

4.17 Escrow Deposits. Following any Event of Default that is not cured within the cure period allowed herein, if any, and if requested by Mortgagee at such time, Borrower will pay to Mortgagee contemporaneously with each monthly payment coming due under the Note a sum equal to one-twelfth (1/12th) of 115% of the prior year's real estate taxes and premiums for insurance required under this Mortgage so as to enable Mortgagee to pay the same at least thirty (30) days before they become due. If any Event of Default shall occur, Mortgagee shall have the right, at its election, to apply any amounts paid to Mortgagee under this Section 4.17 against all or any part of the Obligations secured by this Mortgage. If the real estate taxes and insurance premiums that are required to be deposited into escrow pursuant to this Section 4.17 exceed the estimate therefor and the amounts paid into escrow under this Section 4.17, Borrower shall on demand make good the deficiency. Borrower will furnish to Mortgagee tax and insurance bills in sufficient time to enable Mortgagee to pay such taxes and premiums, before interest and penalties accrue thereon. No interest will be paid to Borrower on any sums deposited with Mortgagee pursuant to this Section 4.17.

4.18 Representations. Borrower hereby represents, warrants and certifies that except as identified on Exhibit B, if any, hereto, (i) there are no underground storage tanks located on, under or about the Property which are subject to the notification requirements under Section 9002 of the Solid Waste Disposal Act, as now or hereafter amended (42 U.S.C. § 6991); (ii) there is no facility located on or at the Property which is subject to the reporting requirements of Section 312 of the federal Emergency Planning and Community Right to Know Act of 1986 and the federal regulations promulgated thereunder (42 U.S.C. § 11022), as "facility" is defined in RPTA; and (iii) there are no "hazardous substances", as that term is defined in any federal, state or local environmental law, regulation or ordinance, on, under or about the Property.

ARTICLE V ASSIGNMENT OF LEASES AND RENTS

5.01 Assignment of Leases and Rents. The Borrower does hereby, as and for collateral, sell, assign, transfer and set over unto the Mortgagee, its successors and assigns, all of the right, title and interest of the Borrower in, to and under all leases and subleases entered into between Borrower (or any predecessor of Borrower) and tenants of the Property (the "Leases"), including all amendments and supplements to and renewals and extensions of the Leases at any time made; together with all rents, earnings, income, issues and profits arising from the Property or from said Leases and all other sums due or to become due under and pursuant thereto; together with any and

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all guaranties under any of said Leases; together with all proceeds payable under any policy of insurance covering loss of rents for any cause; together with all rights, powers, privileges, options and other benefits of the Borrower, as lessor, under the Leases, it being intended by Borrower that this assignment constitutes a present, absolute and unconditional assignment and not an assignment for additional security only and including, but not limited to: (i) the immediate and continuing right to receive and collect all rents, income, revenues, issues, profits, condemnation awards, moneys and security payable or receivable under the Leases, or pursuant to any of the provisions thereof, whether as rent or otherwise, and (ii) the right to make all waivers and agreements, to give and to receive all notices, consents and releases, to take such action upon the happening of a default under any Lease, including the commencement, conduct and consummation of proceedings at law or in equity as shall be permitted under any provision of any Lease or by law, and to do any and all other things whatsoever which the Borrower is or may become entitled to do under the Leases; and together with all other rights, powers, privileges, options and benefits of the Borrower in connection with the Property, including, but not by way of limitation, all parking lot fees, building permits, zoning variances, plans, specifications and contracts with architects. Such assignment to Mortgagee shall not be construed to bind Mortgagee to the performance of any of the covenants, conditions or provisions contained in any such Lease or otherwise impose any obligation upon Mortgagee. Nevertheless, subject to the terms of this Article 5, Mortgagee grants to Borrower a revocable license to operate and manage the Property and to collect rents. Borrower shall hold the rents or a portion thereof sufficient to discharge all current sums due on the Obligations, in trust for the benefit of Mortgagee for use in the payment of such sums. Upon an Event of Default, the license granted to Mortgagee herein shall automatically be revoked, and Mortgagee shall immediately be entitled to all rents, whether or not Mortgagee enters upon or takes control of the Property.

5.02 Remedies. If an Event of Default shall occur, the Borrower consents to and irrevocably authorizes and directs the tenants under the Leases and any successors to the interest of the tenants, upon demand and notice from the Mortgagee of the Mortgagee's right to receive the rents and other amounts under such Leases, to pay to the Mortgagee the rents and other amounts due or to become due under the Leases, and the tenants shall have the right to rely upon such demand and notice from the Mortgagee without any obligation or right to determine the actual existence of the Mortgagee's right to receive such rents and other amounts, notwithstanding any notice from or claim of the Borrower to the contrary. The Borrower shall have no right or claim against any tenant for any such rents and other amounts so paid by the tenant to the Mortgagee.

If any such Event of Default shall occur, the Mortgagee shall, at its option, have the complete right, power and authority, to (i) enter upon, take and maintain possession of and operate the Property, or any part thereof, together with all documents, books, records, papers, and accounts relating thereto; (ii) exclude the Borrower, its agents and servants therefrom; and (iii) hold, operate, manage and control the Property, or any part thereof, as fully and to the same extent as the Borrower could do if in possession, and, in such event, without limitation and at the Borrower's expense from time to time:

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(a) Rent or lease the whole or any part of the Property for such term or terms and on such conditions as are commercially reasonable at the time, including entering into leases for terms expiring beyond the maturity of the Obligations secured by the Mortgage, and cancel any lease or sublease for any cause or on any ground which would entitle the Borrower to cancel it;

(b) Demand, collect, and receive from the tenant or tenants now or hereafter in possession of the Property, or any part thereof, or from other persons liable therefor, all of the rents and revenues from such tenant or tenants or other persons which may now be due and unpaid and which may hereafter become due;

(c) Institute and prosecute any and all suits for the collection of rents and all other revenues from the Property which may now be due and unpaid and which may hereafter become due; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover the possession of the whole or any part thereof; institute and prosecute summary proceedings for the removal of any tenant or tenants or other persons from the Property; and pay the costs and expenses of all such suits and proceedings out of the rents and other revenues received;

(d) Maintain the Property and keep it in repair, and pay, out of the rentals and other revenues received the costs of such maintenance and repairs, including the cost and expenses of all services of all employees, including their equipment, and of all expenses of maintaining and keeping the Property in repair and in proper condition;

(e) Employ an agent or agents to rent and manage the Property and to collect the rents and other revenues thereof, and pay the reasonable value of its or their services out of the rents and revenues received;

(f) Purchase and maintain general liability insurance, fire insurance, boiler insurance, rent insurance, workers' compensation law insurance, and generally such other insurance as is customarily carried by an owner of property of a style and kind similar to the Property, or as the Mortgagee may deem advisable or necessary, and pay the premiums and other charges out of the rents and other revenues received;

(g) Pay, out of the rents and other revenues received, all sums, and the interest thereon, now due to the Mortgagee under this Mortgage, the Note or any Loan Document hereafter to become due, and all taxes, assessments, and other charges now due and unpaid and which may hereafter become due and a charge or lien upon the Property;

(h) Execute and comply with all applicable laws, rules, orders, ordinances, and requirements of any and all governmental authorities affecting the Property, and pay the costs thereof out of the rents and other revenues received;

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(i) Act exclusively and solely in the place and stead of the Borrower, and to have all of the Borrower's powers for the purposes stated above; and

(j) From time to time determine to which one or more of the above purposes the rents and revenues shall be applied and the amount to be applied thereto.

After payment of all proper charges and expenses, including the just and reasonable compensation (without regard to statutory interpretation) for the services of the Mortgagee, its attorneys and agents and others employed by the Mortgagee in connection with the operation, management and control of the Property, and such further sums as may be sufficient to indemnify the Mortgagee from and against any liability, loss or pursuance of its rights and powers under this Section, the Mortgagee shall credit the net amount of income which the Mortgagee may receive by virtue of this assignment and from the Property to any and all amounts due or owing to the Mortgagee from the Borrower under the terms and provisions of the Agreement. The balance of the net income shall be released to or upon the order of the Borrower.

The Mortgagee's acceptance of this Mortgage, with all the rights, powers, privileges and authority created under this assignment, shall not, prior to entry upon and taking possession of the Property by the Mortgagee, be deemed or construed to constitute the Mortgagee a mortgagee in possession, or thereafter or at any time or in any event impose any obligation whatsoever upon the Mortgagee to appear in or defend any action or proceeding relating to any Lease or the Property, or to take any action hereunder, or to expend any money or incur any expenses, or to perform or discharge any obligation, duty or liability under any Lease, or to assume any obligation or responsibility for any security deposits or other deposits delivered to the Borrower by any tenant and not assigned and delivered to the Mortgagee, or render the Mortgagee liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Property.

The Borrower agrees that the collection of rents and the application as stated above or the entry upon and taking of possession of the Property, or any part thereof, by the Mortgagee shall not cure or waive any default or waive, modify or affect any notice of default under the Note or any Loan Document, or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by the Mortgagee, once exercised, shall continue for so long as the Mortgagee elects so long as an Event of Default exists. If the Mortgagee elects to discontinue the exercise of any such right or remedy, the same or any other right or remedy under this Mortgage may be reasserted at any time and from time to time following any subsequent default.

5.03 Right of Borrower. Notwithstanding anything in this Mortgage, so long as no Event of Default exists, subject to the terms of this Section, the Borrower shall have the right to occupy the Property as landlord or otherwise, to collect, use, and enjoy the rents, issues, profits, and other sums payable under and by virtue of all Leases and to enforce the covenants of all Leases, it being agreed that the assignment made hereby is an absolute assignment for collateral purposes, but that

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Mortgagee will not exercise its rights hereunder provided that no Event of Default has occurred hereunder or under the Note or any Loan Document.

Borrower hereby covenants and agrees that it shall not, without Mortgagee's prior written consent, which consent shall not be unreasonably withheld: (a) accept any payment of any installment of rent more than one (1) month in advance of the due date therefor; or (b) enter into any management agreement other than with an affiliate of the Borrower. Borrower further covenants and agrees that it shall, at its sole cost and expense: (a) promptly abide by, discharge and perform in all material respects all of the covenants, conditions and agreements contained in all Leases, on the part of the landlord thereunder; (b) enforce or secure the performance of all of the material covenants, conditions and agreements contained in any Lease on the part of any tenant thereunder; and (c) appear in and defend any action or proceeding arising out of or related to such Leases or the obligations, duties or liabilities of the landlord or of any tenants thereunder.

5.04 Mortgagee Not to Become Liable. The Mortgagee and its assigns shall not be obligated to perform or discharge, nor do such parties hereby undertake to perform or discharge, any obligation, duty, or liability of the Borrower under any Lease. This Article shall not operate to place upon the Mortgagee or its assigns responsibility for the control, care, management or repair of the Property or for the performance of any of the terms and conditions of any Lease. With the exception of acts of gross negligence or willful misconduct, the Mortgagee and its assigns shall not be responsible or liable for any waste committed on the Property, for any dangerous or defective condition of the Property, for any negligence in the management, upkeep, repair or control of the Property or for failure to collect any rents or other payments under the Leases.

5.05 Waiver of Borrower. To the fullest extent permitted by law, the Borrower hereby waives any and all claims against the Mortgagee and its assigns arising out of or in any way related to any act or failure to act pursuant to this assignment, it being expressly understood and agreed that this assignment of leases is for collateral purposes only, imposes no obligation on the Mortgagee or its assigns to take any action whatsoever and any action to enforce this assignment is in the sole discretion of the Mortgagee or its assigns.

5.06 Indemnification. The Borrower hereby agrees to indemnify, defend and hold the Mortgagee harmless, from and against any and all liabilities, losses, damages, costs and expenses which the Mortgagee may or might incur (other than for improper, illegal or negligent acts or omissions of the Mortgagee in connection with the exercise of its remedies) under or by reason of this Mortgage and from and against any and all claims and demands whatsoever which may be asserted against the Mortgagee by reason of any alleged obligation or undertaking on the part of the Mortgagee to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should the Mortgagee incur any such liability, loss, damage, cost or expense under or by reason of this assignment, or in the defense against any such claims or demands, then the amount thereof, including costs, expenses and reasonable attorneys' fees (without regard to statutory interpretation), shall be secured by this Mortgage and the Borrower shall reimburse the Mortgagee

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therefor immediately upon demand, and upon failure of the Borrower so to do, the Mortgagee may declare all sums secured hereby immediately due and payable.

ARTICLE VI DEFAULT; ACCELERATION

6.01 Events of Default. The occurrence of any one or more of the following by Borrower shall constitute an "*Event of Default*" under this Mortgage:

- (a) Borrower shall fail to make any payment when due under Note;
- (b) Borrower shall fail to observe or perform any of the covenants, agreements or conditions contained in this Mortgage which failure continues for a period of ten (10) days after Borrower has knowledge thereof or is given written notice thereof;
- (c) Borrower shall fail to observe or perform any of the covenants, agreements or conditions contained in any other Loan Document which failure continues for a period of ten (10) days after Borrower has knowledge thereof or is given written notice thereof;
- (d) any representation or warranty made by Borrower in any Loan Document, or in any certificate, document or financial statement delivered to the Mortgagee pursuant hereto or thereto shall prove to have been incorrect in any material respect as of the time when made or given;
- (e) a final judgment (or judgments) shall be entered against Borrower, which singularly or when added to any other outstanding final judgment (or judgments) against the Borrower, exceeds the aggregate amount of \$10,000, and such judgment (or judgments) shall remain outstanding and unsatisfied, unbonded, uninsured or unstayed after thirty days from the date of entry thereof;
- (f) Borrower shall: (i) become insolvent; or (ii) be unable, or admit in writing its inability, to pay its debts as they mature; or (iii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its Property; or (iv) become the subject of an "Order for Relief" as said term is defined under the United States Bankruptcy Code; or (v) file an answer to a creditor's petition admitting the material allegations thereof for reorganization or to effect a plan or other arrangement with creditors; or (vi) apply to a court for the appointment of a receiver for any assets; or (vii) have a receiver appointed for any of its assets (with or without the consent of the Borrower) and such receiver shall not be discharged within thirty (30) days after the appointment; or

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(viii) otherwise become the subject of any insolvency proceeding or an out-of-court settlement with its creditors, not in the ordinary course of business and which proceeding is not resolved or dismissed to Mortgagee's satisfaction within 30 days thereof;

(g) Borrower is involuntarily dissolved or files articles of dissolution or gives notice of dissolution at any time;

(h) The Note or any Loan Document shall at any time cease to be in full force and effect, or Borrower shall attempt to revoke or terminate, the Note or any Loan Document;

(i) There shall occur an event of default under the Note or any Loan Document;

(j) A material adverse change occurs, as reasonably determined by Mortgagee, in the financial condition, property or continued operations of Borrower;

(k) Subject to any applicable cure and/or notice periods, any material default shall occur under any material agreement, document or instrument binding upon Borrower, or any assets of Borrower, including, but not limited to, any default in the payment when due of any principal of or interest on any indebtedness for money borrowed or guaranteed by Borrower, or any default in the payment when due, or in the performance or observance of, any material obligation of, or condition agreed to, by Borrower with respect to any purchase or lease of any real or personal property or services;

(l) the Property or any part thereof shall be sold, transferred, or conveyed, whether voluntarily or involuntarily, by operation of law or otherwise, except for sales of obsolete, worn out or unusable fixtures or personal property which are concurrently replaced with similar fixtures or personal property at least equal in quality and condition to those sold and owned by Borrower free of any lien, charge or encumbrance other than the lien hereof; or

(m) any indebtedness secured by a lien or charge on the Property or any part thereof is not paid when due or proceedings are commenced to foreclose or otherwise realize upon any such lien or charge or to have a receiver appointed for the property subject thereto or to place the holder of such indebtedness or its representative in possession thereof.

6.02 Upon the occurrence of an Event of Default under Section 6.01(f) above, all Obligations of the Borrower to the Mortgagee shall be immediately due and payable all without

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demand, notice or further action of any kind required on the part of the Mortgagee. Upon the occurrence of an Event of Default specified in all other clauses of Section 6, the Lender may, without presentment, notice, demand or action of any kind, all of which are hereby waived, declare the entire amount of the Obligations accelerated and immediately due and payable.

ARTICLE VII REMEDIES

Upon the happening of an Event of Default, Mortgagee may, by written notice to Borrower, declare the Note and all unpaid indebtedness hereby secured, including any interest then accrued thereon, to be immediately due and payable, whereupon the same shall become and be immediately due and payable, without other notice or demand of any kind. Additionally, Mortgagee shall have the following rights as well as all rights available under applicable law:

7.01 Action or Suit. Mortgagee may proceed to protect and enforce its rights by an action or actions at law or by a suit or suits in equity, either for the specific performance of any covenant or agreement contained herein, or for the foreclosure of this Mortgage, or for monetary damages, or for the enforcement of any other appropriate legal or equitable remedy.

7.02 Receiver. Mortgagee shall be entitled as a matter of right, without notice and without giving bond to Borrower, or anyone claiming under it, to have a receiver appointed for Mortgagee's benefit of all of the Property and of the earnings, income, rents, issues and profits thereof, pending such proceedings, with the powers (without limitation) to collect such earnings, income, rents, issues and profits; to rent and remodel the rentable areas; to perform and pay any obligations of Borrower under the Agreement; together with such other powers as the court making such appointment shall confer; and Borrower hereby irrevocably consents to such appointment.

7.03 Entry Upon the Property. Mortgagee, either itself or by its agents or attorneys, may, in its discretion, enter upon and take complete and peaceful possession of the Property, or any part or parts thereof, and may exclude Borrower and its agents and servants wholly therefrom, in which case Borrower covenants peacefully and quietly to yield up possession, and having and holding the Property or portion thereof, Mortgagee may use, operate, manage and control the Property, or any part thereof, and conduct the business thereof (either itself or by its attorneys and agents), and may collect any and all rents, issues and profits due or to become due without prejudice to its rights to foreclosure, to appointment of a receiver and other rights and from time to time, either by purchase, repair or construction may maintain, restore and insure and keep insured, the buildings, structures, improvements, fixtures, machinery, equipment and other property constituting a part of or used in connection with the Property; and after paying all of the expenses of operating the Property, Mortgagee shall apply the monies arising therefrom to the payment of the amounts then due under the Note for interest and principal, with interest on overdue interest and principal at the rate provided for in the Note from the date the same became payable, whether by lapse of time, acceleration or otherwise.

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7.04 Foreclosure. Mortgagee may cause the Property to be sold at one or more foreclosure sales, all in such manner and upon such notice as provided by Illinois law, as the same may be amended from time to time. All proceeds of any such sale or sales, remaining after payment of: (a) the costs and expenses of such sale or sales (including reasonable attorneys' fees of Mortgagee); (b) all principal and interest due under the Note, including interest on overdue principal and interest at the rate of interest provided for in the Note; and (c) all other Obligations arising under the provisions of the Loan Documents, shall be paid to Borrower, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same. Notwithstanding anything contained herein to the contrary, it is understood and agreed that Mortgagee may foreclose this Mortgage without declaring the whole Obligations evidenced by the Note and intended to be secured hereby due; and, if any foreclosure sale is made because of an Event of Default for less than the full amount which may become due under the Note, such sale may be made subject to the unmatured portion of the Obligations secured by this Mortgage and such sale, if so made, shall not in any manner affect the unmatured portion of the Obligations intended to be secured by this Mortgage but as to such unmatured portion of the debt to be secured, several sales may be made for any other portion of the Obligations to be secured, whether matured at the time or subsequently occurring.

7.05 Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. Borrower agrees to the full extent permitted by law, that in case of an Event of Default, neither Borrower nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisal, valuation, stay or extension laws now or hereafter in force, or take any other action which would prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereat. Borrower, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, including but not limited to the right to reinstatement or redemption as provided by 735 ILCS 5/15-1601 et seq., and any and all right to have the assets comprising the Property marshalled upon any foreclosure of the lien hereof and agrees that Mortgagee or any court having jurisdiction to foreclose such lien may sell the Property in part or as an entirety. Borrower acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include agricultural real estate (as defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15 - 1101 et seq.)) (herein called the "Act") nor residential real estate (as defined in Section 5/15-1219 of the Act.)

7.06 Costs of Foreclosure. In addition to the Borrower's obligations set forth herein, in case it becomes necessary for Mortgagee to commence proceedings to foreclose this Mortgage or to commence any other suit in equity, action at law or other appropriate proceedings, to enforce its rights under this Mortgage, or any of the other Loan Documents, Borrower agrees to pay to Mortgagee all costs of such suit, action or proceeding as well as all expenses incurred in procuring title insurance and the reasonable legal fees of Mortgagee's attorneys in connection therewith, which costs and fees shall be included in the judgment in any such suit, action or proceeding.

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7.07 Remedies Cumulative. No remedy herein conferred upon or otherwise available to Mortgagee is intended to be or shall be construed to be exclusive of any other remedy or remedies; but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein.

ARTICLE VIII GENERAL

8.01 Notices. Any notices given in connection with this instrument shall be in writing and shall be deemed to have been given or made when delivered in hand, or delivered via overnight courier (Federal Express or equivalent). Communications or notices shall be addressed as set forth in Paragraph 1 of this instrument, unless and until either of such parties notifies the other of a change of address through actual written notice to said party:

8.02 Governing Law; Venue. This Mortgage shall be construed and enforced according to the laws of the State of Illinois.

8.03 Successors and Assigns; Partial Invalidation. All covenants and agreements in this Mortgage by or on behalf of either of the parties hereto shall be binding upon and shall inure to the benefit of the respective successors and assigns of Borrower and Mortgagee. Invalidation of part or all of any one of the covenants herein contained by judgment or court order shall not affect any of the other provisions, which shall remain in full force and effect.

8.04 Borrower and Lien not Released. From time to time, Mortgagee may, at its option, without giving notice to or obtaining the consent of Borrower, Borrower's successors or assigns or of any junior lienholder or guarantors, without liability on Mortgagee's part and notwithstanding Borrower's breach of any covenant or agreement of Borrower in this Mortgage, extend the time for payment of the Obligations evidenced by the Note or any part thereof, reduce the payments thereon, release anyone liable on any of said Obligations, modify the terms and time of payment of said Obligations, release from the lien of this Mortgage any part of the Property; take or release other or additional security, reconvey any part of the Property, consent to any plat or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement and agree in writing with Borrower to modify the terms or conditions of the Note or change the amount of the installments payable thereunder. Any actions taken by Mortgagee pursuant to the terms of this Section 8.04 shall not affect the obligation of Borrower or Borrower's successors or assigns to pay the sums secured by this Mortgage and to observe the covenants of Borrower contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the Obligations secured hereby and shall not affect the lien or priority of lien hereof on the Property. Borrower shall pay Mortgagee a reasonable service charge, together with such title insurance

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premiums and reasonable attorneys' fees as may be incurred at Mortgagee's option, for any such action if taken at Borrower's request.

8.05 Forbearance by Mortgagee not a Waiver. Any forbearance by Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Mortgagee of payment of any sum secured by this Mortgage after the due date of such payment shall not be a waiver of Mortgagee's rights to either require prompt payment when due or all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Mortgagee shall not be a waiver of Mortgagee's right to accelerate the maturity of the Obligations secured by this Mortgage, nor shall Mortgagee's receipt of any awards, proceeds or damages under Section 4.02 or Section 4.04 hereof operate to cure or waive Borrower's default in payment of sums secured by this Mortgage.

8.06 Further Assurances. At any time and from time to time, upon Mortgagee's reasonable request, Borrower shall make, execute and deliver, or cause to be made, executed and delivered, to Mortgagee, and where appropriate shall cause to be recorded, registered or filed, and from time to time thereafter to be re-recorded, re-registered and refiled at such time and in such offices and places as shall be deemed desirable by Mortgagee, any and all such further mortgages, security agreements, financing statements, instruments of further assurance, certificates and other documents as Mortgagee may consider reasonably necessary or desirable in order to effectuate or perfect, or to continue and preserve the obligations under this Mortgage, any guaranty, if any, the Note, or any Loan Document and any instrument evidencing or securing Obligations, and the lien of this Mortgage as a lien upon all of the Property, whether now owned or hereafter acquired by Borrower, and unto all and every person or persons deriving any estate, right, title or interest under this Mortgage. Upon any failure by Borrower to do so, Mortgagee may make, execute, record, register, file, re-record, re-register or re-file any and all such mortgages, instruments, certificates and documents for and in the name of Borrower, and Borrower hereby irrevocably appoints Mortgagee the agent and attorney-in-fact of Borrower to do so.

8.07 Compliance with Illinois Mortgage Foreclosure Law (the "Act"). In the event that any provision in this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision 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 Borrower 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 Sections 5/15-1510 and 5/15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Mortgage, shall be added to the Obligations secured by this Mortgage or by the judgment of foreclosure.

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8.08 Waiver of Trial by Jury. TO INDUCE MORTGAGEE TO MAKE THE LOAN, BORROWER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHTS WHICH BORROWER MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDINGS IN WHICH BORROWER AND MORTGAGEE ARE ADVERSE PARTIES, IN CONNECTION WITH THE NOTE, THIS MORTGAGE, OR ANY LOAN DOCUMENT.

8.09 Consent to Jurisdiction, Service of Process. TO INDUCE MORTGAGEE TO MAKE THE LOAN, BORROWER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY AGREES THAT ALL ACTIONS ARISING DIRECTLY OR INDIRECTLY AS A RESULT OF THE NOTE, THIS MORTGAGE, OR ANY OF THE OTHER LOAN DOCUMENTS SHALL BE INSTITUTED AND LITIGATED ONLY IN COURTS HAVING SITUS IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND BORROWER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT LOCATED AND HAVING A SITUS IN SAID COUNTY OF COOK, ILLINOIS, AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS. BORROWER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS, AND CONSENTS THAT, AT MORTGAGEE'S OPTION, ALL SUCH SERVICE OF PROCESS MAY BE MADE BY UNITED STATES CERTIFIED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO BORROWER AT THE ADDRESS FOR BORROWER INDICATED HEREIN.

8.10 Recitals. The recitals are hereby incorporated by reference into the body of this Agreement as if fully set forth herein.

8.11 Business Loan. Borrower stipulates, represents, warrants, affirms and agrees that each of the loans and other Obligations secured hereby constitute a "business loan" within the meaning of the Illinois Compiled Statutes, Chapter 815, Sections 205/4(a) or (c), as amended.

[The remainder of this page is left intentionally blank; signature page follows.]

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IN WITNESS WHEREOF, Borrower has executed this Mortgage on the date first above written.

BORROWER:

PJS Partners, LLC
An Illinois limited liability company

By: Patrick J. Steininger
Patrick J. Steininger, its Manager

Property of Cook County Clerk's Office

ACKNOWLEDGMENT

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

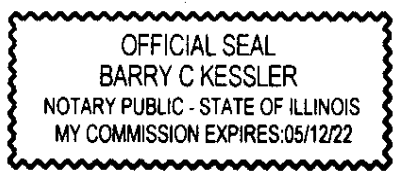
The undersigned, a Notary Public, in and for the State and County aforesaid, does hereby certify that before me this day personally appeared Patrick J. Steininger, known to me to be the Manager of PJS Partners, LLC, who acknowledged, executed and delivered this instrument as his free, voluntary and duly authorized act in behalf of PJS Partners, LLC.

Given under my hand and Notarial Seal this 30th day of February, 2022.

Barry C. Kessler
Notary Public

Name: Barry C. Kessler

My Commission Expires: 5/12/2022
This Instrument Drafted By And
Should Be Returned To:
Barry C. Kessler
Barry C. Kessler & Associates
1275 Milwaukee Avenue
Suite 300
Glenview, IL 60025



847.987.4406

UNOFFICIAL COPY

EXHIBIT A – LEGAL DESCRIPTION

Tract 1:

A tract of land described as follows: the West 1.5 acres of the East 5.5 acres (except the North 310.0 feet and except the South 50 feet) of that part of the South half of the South half of the South-West quarter of Section 20, Township 41 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Commonly known as 6038 Oakton, Morton Grove, Illinois
PIN Number: 10-20-302-017-0000

Tract 2:

That part of the South 110.0 feet of the North 384.9376 feet of the East 4 acres of the South half of the South half of the South West quarter described as follows: from the South West corner of the South 110.0 feet of the North 384.9376 feet aforesaid, being the point of beginning; thence proceeding Easterly along the South line 4.50 feet; thence proceeding Northerly 90 degrees, 00 minutes clockwise from the South West corner aforesaid 74.82 feet to a point; thence proceeding Westerly 90 degrees 57 minutes clockwise from the previous line, 3.35 feet to a point; thence proceeding Southerly 90 degrees 57 minutes from the previous line, 74.82 feet to the point of beginning of Section 20, Township 41 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

The South 110.0 feet of the North 384.9376 feet of the East 4 acres of the South half of the South half of the South West quarter (except the East 33 feet thereof and except a tract of land described as follows: from the South West corner of the South 110.0 feet of the North 384.9376 feet aforesaid, being the point of beginning; thence proceeding Easterly along the South line 4.50 feet; thence proceeding Northerly 90 degrees, 00 minutes clockwise from the South West corner aforesaid 74.82 feet to a point; thence proceeding Westerly 90 degrees 57 minutes clockwise from the previous line, 3.35 feet to a point; thence proceeding Southerly 90 degrees 57 minutes from the previous line, 74.82 feet to the point of beginning) of Section 20, Township 41 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Commonly known as 8040 Austin Avenue, Morton Grove, Illinois
PIN Numbers: 10-20-302-019-0000 and 10-20-302-026-0000

Tract 3:

The South ½ of the South ½ (except the North 384.94 feet and also except the South 158 feet thereof) of the East 264.27 feet (except the East 33 feet thereof) of the Southwest 1/4 of Section 20, Township 41 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Commonly known as 8020 Austin Avenue, Morton Grove, Illinois
Permanent Index Number: 10-20-302-035-0000