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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Report Mortgage Fraud
844-768-1713



2404634049

Doc# 2404634049 Fee \$88.00

RHSP FEE:\$18.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 02/15/2024 03:33 PM PG: 1 OF 31

The property identified as: PIN: 07-13-103-015-0000

KT24012040 2/2 JH

Address:

Street: 801 North Plaza Drive

Street line 2:

City: Schaumburg

State: IL

ZIP Code: 60173

Lender: ASHRAF LAKHANY

Borrower: LAKHANY HOLDINGS LLC

Loan / Mortgage Amount: \$4,600,000.00

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

Certificate number: 568E4FF1-C385-4B12-988F-BA5A72CF237E

Execution date: 2/14/2024

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Record and return to:

Offit Kurman, P.A.
7021 Columbia Gateway Drive, Suite 200
Columbia, Maryland 21046
Attention: Eric E. Tucker

This instrument was prepared by the
above-named attorney

**NOTE: RECORDER'S SPACE MUST BE 3 INCHES FROM TOP AND 5 INCHES
FROM RIGHT SIDE OF PAGE**

Lakhany Holdings, LLC,
an Indiana limited liability company,

Mortgagor

to

Ashraf Lakhany,
a resident of the State of Texas,

Mortgagee

MORTGAGE AND ASSIGNMENT OF LEASES AND RENTS

Dated as of February 14, 2024

This instrument affects
certain real property
located in Schaumburg, Cook County, Illinois.

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MORTGAGE AND ASSIGNMENT OF LEASES AND RENTS

This MORTGAGE AND ASSIGNMENT OF LEASES AND RENTS, dated as of February 14, 2024 (this "*Mortgage*"), made by **Lakhany Holdings, LLC**, an Indiana limited liability company (the "*Mortgagor*"), having an address at 1804 Naper Blvd. Suite 450, Naperville, Illinois 60563 to **Ashraf Lakhany** a resident of the State of Texas, having an address at c/o 1804 Naper Blvd. Suite 450, Naperville, Illinois 60563 (together with its successors and assigns from time to time, the "*Mortgagee*").

WITNESSETH:

WHEREAS, the Mortgagor is on the date of delivery hereof the owner of fee title to the parcel or parcels of land described in **Schedule 1** hereto (the "*Land*") and the Improvements (such term and other capitalized terms used in this Mortgage having the respective meanings specified or referred to in *Article IV*, or if not defined herein shall have the meaning specified in the Promissory Note);

WHEREAS, pursuant to a Secured Promissory Note, dated as of even date herewith (as amended, supplemented, amended and restated or otherwise modified from time to time, the "*Promissory Note*"), between the Mortgagee and the Mortgagor, the Mortgagee has extended a commitments to make advances to the Mortgagor, which such advances may have a maximum aggregate principal amount at any one time outstanding of \$4,600,000.00 (the "*Indebtedness*");

WHEREAS, the Mortgagor has duly authorized the execution, delivery and performance of this Mortgage.

GRANT:

NOW, THEREFORE, for and in consideration of the premises, and of the mutual covenants herein contained, and in order to secure the full, timely and proper performance of and compliance with each and every one of the Mortgagor's obligations related to the Indebtedness, the Mortgagor hereby grants, bargains, sells, mortgages, warrants, aliens, demises, releases, hypothecates, pledges, assigns, transfers and conveys to the Mortgagee and its successors and assigns, for so long as any of the Indebtedness remains outstanding, all of its right, title and interest in the following (the "*Collateral*");

(a) **Real Estate**. All of the Land and estates therein now owned or hereafter acquired by the Mortgagor for use or development with the Land or any portion thereof, together with all and singular the tenements, rights, easements, hereditaments, rights of way, privileges, liberties, appendages, appurtenances, option rights and purchase contracts now or hereafter belonging or in anywise pertaining to the Land and estates therein (including, without limitation, all rights relating to storm and sanitary sewer, water, gas, electric, railway and telephone services); all development rights, air rights, riparian rights, water, water rights, water stock, all rights in, to and with respect to any and all oil, gas, coal, minerals and other substances of any kind or character underlying or relating to the Land and estates therein and any interest therein; all estate, claim, demand, right, title or interest of the Mortgagor in and to any street, road, highway, or alley, vacated or other, adjoining the Land or any part thereof and estates therein; all strips and gores

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belonging, adjacent or pertaining to the Land and estates; and any after-acquired title to any of the foregoing (herein collectively called the "Real Estate");

(b) Improvements. All buildings, structures and other improvements and any additions and alterations thereto or replacement thereof, now or hereafter built, constructed or located upon the Real Estate; and all furnishings, fixtures, fittings, appliances, apparatus, equipment, manufacturing equipment, machinery, building and construction materials and other articles of every kind and nature whatsoever and all replacements thereof, now or hereafter affixed or attached to, placed upon or used in any way in connection with the complete and comfortable use, enjoyment, occupation, operation, development and/or maintenance of the Real Estate or such buildings, structures and other improvements, including, but not limited to, partitions, furnaces, boilers, oil burners, radiators and piping, plumbing and bathroom fixtures, refrigeration, heating, ventilating, air conditioning and sprinkler systems, other fire prevention and extinguishing apparatus and materials, vacuum cleaning systems, gas and electric fixtures, incinerators, compactors, elevators, engines, motors, generators and all other articles of property which are considered fixtures under applicable law (such buildings, structures and other improvements and such other property are herein collectively referred to as the "**Improvements**"); the Real Estate and the Improvements are herein collectively referred to as the "**Property**";

(c) Leases. To the extent the same may be encumbered or assigned pursuant to the terms thereof and to the extent permitted by law, all rights of the Mortgagor in, to and under all leases, licenses, occupancy agreements, concessions and other arrangements, oral or written, now existing or hereafter entered into, whereby any Person agrees to pay money or any other consideration for the use, possession or occupancy of, or any estate in, the Property or any portion thereof or interest therein (herein collectively referred to as the "**Leases**"), and the right, upon the occurrence and during the continuance of any Event of Default hereunder, after notice to the Mortgagor, to receive and collect the Rents (as hereinafter defined) paid or payable thereunder;

(d) Rents. All rents, issues, profits, royalties, avails, income and other benefits derived or owned, directly or indirectly, by the Mortgagor from the Property, including, without limitation, all rents and other consideration payable by tenants, claims against guarantors, and any cash or other securities deposited to secure performance by tenants, under the Leases (herein collectively referred to as "**Rents**");

(e) Proceeds. All proceeds of the conversion, voluntary or involuntary of any of the foregoing into cash or liquidated claims, including, without limitation, Casualty Proceeds and condemnation proceeds (herein collectively referred to as "**Proceeds**"), subject to the provisions relating to insurance generally set forth below; and

(f) Other Property. All other property and rights of the Mortgagor of every kind and character relating to the Property, and all proceeds and products of any of the foregoing;

AND, without limiting any of the other provisions of this Mortgage, the Mortgagor expressly grants to the Mortgagee, as secured party, a security interest in all of those portions of the Collateral which are or may be subject to the provisions applicable to secured transactions of the Uniform Commercial Code in the state in which the Property is located.

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TO HAVE AND TO HOLD the Collateral unto the Mortgagee, its successors and assigns, for so long as any of the Indebtedness remains outstanding.

FURTHER to secure the full, timely and proper payment, performance of and compliance with the Indebtedness, the Mortgagor hereby covenants and agrees with and warrants to the Mortgagee as follows:

ARTICLE I.

COVENANTS AND AGREEMENTS OF THE MORTGAGOR

Section 1.1 Payment, Performance of, and Compliance with Indebtedness. The Mortgagor agrees that:

(a) it will duly and punctually pay, perform and comply with the Indebtedness in accordance with their respective terms; and

(b) when and as due and payable from time to time in accordance with the terms hereof, it will pay, comply with and perform, or cause payment of, compliance with and performance of, all other duties and obligations hereunder.

Section 1.2 Title to Collateral, etc The Mortgagor represents and warrants to and covenants with the Mortgagee that:

(a) as of the date hereof and at all times hereafter while this Mortgage is outstanding, the Mortgagor (1) is and shall be the owner of the legal and beneficial title to the Property and all other property included in the Collateral, and (2) has and shall have good and marketable title in fee simple absolute to the Property, subject in each case only to this Mortgage, any encumbrances expressly permitted under the Promissory Note, and the encumbrances set forth in Schedule B to Title Commitment #NCT24012840 issued by Old Republic National Title Insurance Company (collectively, the "**Permitted Encumbrances**");

(b) the Mortgagor has good and lawful right, power and authority to execute this Mortgage and to convey, transfer, assign, mortgage and grant a security interest in the Collateral, all as provided herein;

(c) this Mortgage has been duly executed, acknowledged and delivered on behalf of the Mortgagor, all consents and other actions required to be taken by the officers, directors, and members, as the case may be, of the Mortgagor have been duly and fully given and performed and this Mortgage constitutes the legal, valid and binding obligation of the Mortgagor, enforceable against the Mortgagor in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing; and

(d) the Mortgagor, at its expense, for so long as any of the Indebtedness remains outstanding, will warrant and defend the Mortgagee and any purchaser under the power

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of sale herein or at any foreclosure sale such title to the Collateral and the first mortgage lien and first priority perfected security interest of this Mortgage thereon and therein against all claims and demands of any Person whatsoever, except those having rights under the Permitted Encumbrances, and will maintain, preserve and protect such lien and security interest and will keep this Mortgage a valid, direct first mortgage lien of record on and a first priority perfected security interest in the Collateral, subject only to the Permitted Encumbrances.

Section 1.3 Title Insurance

(a) **Title Insurance Proceeds.** All proceeds received by and payable to the Mortgagee for any loss under any loan policy or policies of title insurance delivered to the Mortgagee, shall be the property of the Mortgagee and shall be applied by the Mortgagee in accordance with the provisions of *Section 2.3*.

Section 1.4 Recordation. The Mortgagor, at its expense, will at all times cause this Mortgage and any instruments amendatory hereof or supplemental hereto and any instruments of assignment hereof or thereof (and any appropriate financing statements or other instruments and continuations thereof), and each other instrument delivered in connection with the Promissory Note or any Loan Document and intended thereunder to be recorded, registered and filed, to be kept recorded, registered and filed, in such manner and in such places, and will pay all such recording, registration, filing fees, taxes and other charges, and will comply with all such statutes and regulation as may be required by law in order to establish, preserve, perfect and protect the lien and security interest of this Mortgage, subject only to the Permitted Encumbrances. The Mortgagor will pay or cause to be paid, and will indemnify the Mortgagee in respect of, all taxes (including interest and penalties) at any time payable in connection with the filing and recording of this Mortgage and any and all supplements and amendments hereto.

Section 1.5 Payment of Impositions, etc. Subject to *Section 1.8* (relating to permitted contests), to the extent required by the Promissory Note, the Mortgagor will pay or cause to be paid before the same would become delinquent and before any fine, penalty, interest or cost may be added for non-payment, all taxes, assessments, water and sewer rates, charges, license fees, inspection fees and other governmental levies or payments, of every kind and nature whatsoever, general and special, ordinary and extraordinary, unforeseen as well as foreseen, which at any time may be assessed, levied, confirmed, imposed or which may become a lien upon the Collateral, or any portion thereof, or which are payable with respect thereto, or upon the rents, issues, income or profits thereof, or on the occupancy, operation, use, possession or activities thereof, whether any or all of the same be levied directly or indirectly or as excise taxes or as income taxes, and all taxes, assessments or charges which may be levied on the Indebtedness, or the interest thereon (collectively, the "*Impositions*"). The Mortgagor will deliver to the Mortgagee, upon request, such request not to occur more frequently than once in any twelve month period except if an Event of Default shall occur and be continuing, copies of official receipts or other satisfactory proof evidencing such payments.

Section 1.6 Insurance Requirements. Subject to *Section 1.8* (relating to permitted contests), the Mortgagor, at its expense, will comply, or cause compliance, in all material respects with all provisions of any insurance policy covering or applicable to the Collateral or any part thereof, all requirements of the issuer of any such policy, and all orders, rules,

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regulations and other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) applicable to or affecting the Collateral or any part thereof or any use or condition of the Collateral or any part thereof (collectively, the “*Insurance Requirements*”) whether or not compliance therewith shall require structural changes in or interference with the use and enjoyment of the Collateral or any part thereof.

Section 1.7 Security Interests, etc. Except as permitted by the Promissory Note, the Mortgagor will not directly or indirectly create or permit or suffer to be created or to remain and will promptly discharge or cause to be discharged, any deed of trust, mortgage, encumbrance or charge on, pledge of, security interest in or conditional sale or other title retention agreement with respect to any other lien on or in the Collateral or any part thereof or the interest of the Mortgagor or the Mortgagee therein, or any Proceeds thereof or Rents or other sums arising therefrom, other than: (a) Permitted Encumbrances; and (b) liens of mechanics, materialmen, suppliers or vendors or rights thereto incurred in the ordinary course of the business of the Mortgagor for sums not yet due or any such liens or rights thereto which are at the time being contested as permitted by *Section 1.8*.

Section 1.8 Permitted Contests. The Mortgagor may, at its expense, contest, or cause to be contested, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Imposition, Legal Requirement or Insurance Requirement or lien of a mechanic, materialman, supplier or vendor, provided that: (a) in the case of an unpaid Imposition, lien, encumbrance or charge, such proceedings shall suspend the collection thereof from the Mortgagor, the Mortgagee, and the Collateral (including any rent or other income therefrom) and shall not interfere with the payment of any such rent or income; (b) neither the Collateral nor any rent or other income therefrom nor any material part thereof or material interest therein would be in any danger of being sold, forfeited, lost, impaired or interfered with; (c) in the case of a Legal Requirement, neither the Mortgagor nor the Mortgagee would be in danger of any civil or criminal liability for failure to comply therewith; (d) the Mortgagor shall have furnished such security, if any, as may be required in the proceedings or as may be reasonably requested by the Mortgagee; (e) the non-payment of the whole or any part of any Imposition will not result in the delivery of a tax deed to the Collateral or any part thereof because of such non-payment; (f) the payment of any sums required to be paid with respect to the Loans or under this Mortgage (other than any unpaid imposition, lien, encumbrance or charge at the time being contested in accordance with this *Section 1.8*) shall not be interfered with or otherwise affected; (g) in the case of any Insurance Requirement, the failure of the Mortgagor to comply therewith shall not affect the validity of any insurance required to be maintained by the Mortgagor under *Section 2.1*; and (h) adequate reserves, determined in accordance with Generally Accepted Accounting Principles, shall have been set aside on the Mortgagor’s books.

Section 1.9 Leases. Except as set forth on Exhibit A attached hereto, the Mortgagor represents and warrants to the Mortgagee that, as of the date hereof, there are no written or oral leases or other agreements of any kind or nature relating to the occupancy of any portion of the Property by any Person other than the Mortgagor. The Mortgagor will not enter into any such written or oral lease or other agreement with respect to any portion of the Property, except as permitted under the Promissory Note, without first obtaining the written consent of the

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Mortgagee, which consent shall not be unreasonably withheld or delayed. Any such lease or other agreement in violation of this *Section 1.9* shall be deemed null and void.

Section 1.10 Compliance with Instruments. The Mortgagor at its expense will promptly comply in all material respects with all rights of way or use, privileges, franchises, servitudes, licenses, easements, tenements, hereditaments and appurtenances forming a part of the Property and all instruments creating or evidencing the same, in each case, to the extent compliance therewith is required of the Mortgagor under the terms thereof. The Mortgagor will not take any action which may result in a forfeiture or termination of the material rights afforded to the Mortgagor under any such instruments, without the prior written consent of the Mortgagee, which consent shall not be unreasonably withheld or delayed and will not, without the prior written consent of the Mortgagee, which consent shall not be unreasonably withheld or delayed, amend any of such instruments.

Section 1.11 Maintenance and Repair, etc. Subject to the provisions of *Section 1.12*, the Mortgagor will keep or cause to be kept all presently and subsequently erected or acquired Improvements and the sidewalks, curbs, vaults and vault space, if any, located on or adjoining the same, (with respect to such streets and the ways adjoining the same, to the extent such streets and ways are private and are the obligation of Grantor to maintain or as otherwise required by law) in each case excluding immaterial assets, and the streets and the ways adjoining the same, in good order and repair and in such a fashion that the value and utility of the Collateral will not be diminished, ordinary wear and tear excepted, and, at its sole cost and expense, will promptly make or cause to be made all reasonably necessary and proper repairs, replacements and renewals thereof, whether interior or exterior, structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen, so that its business carried on in connection therewith may be properly conducted at all times. The Mortgagor at its expense will do or cause to be done all shoring of foundations and walls of any building or other Improvements on the Property and (to the extent permitted by law) of the ground adjacent thereto and every other act reasonably necessary or appropriate for the preservation and safety of the Property by reason of or in connection with any excavation or other building operation upon the Property and upon any adjoining property, whether or not the Mortgagor shall, by any Legal Requirement, be required to take such action or be liable for failure to do so.

Section 1.12 Alterations, Additions, etc. Unless an Event of Default shall have occurred and be continuing and the Mortgagee shall have given notice to the Mortgagor, the Mortgagor shall have the right at any time and from time to time to make or cause to be made reasonable alterations of and additions to the Property or any part thereof, provided that any alteration or addition: (a) is effected with due diligence, in a good and workmanlike manner and in compliance with all Legal Requirements and Insurance Requirements; (b) is fully paid for, or caused to be paid for when due, by the Mortgagor; (c) is made, in case the estimated cost of such alteration or addition exceeds \$5,000,000.00, under the supervision of a qualified architect or engineer, selected by the Mortgagor and approved by the Mortgagee, such approval not to be unreasonably withheld or delayed.

Section 1.13 Acquired Property Subject to Lien. All property at any time acquired by the Mortgagor and provided or required by this Mortgage to be or become subject to the lien and security interest hereof, whether such property is acquired by exchange, purchase, construction

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or otherwise, shall forthwith become subject to the lien and security interest of this Mortgage without further action on the part of the Mortgagor or the Mortgagee. The Mortgagor, at its expense, will execute and deliver to the Mortgagee (and will record and file as provided in *Section 1.4*) an instrument supplemental to this Mortgage reasonably satisfactory in substance and form to the Mortgagee, whenever such an instrument is necessary under applicable law to subject to the lien and security interest of this Mortgage all right, title and interest of the Mortgagor in and to all property provided or required by this Mortgage to be subject to the lien and security interest hereof.

Section 1.14 Assignment of Rents, Proceeds, etc. The Mortgagor assigns, grants and conveys the Leases, Rents, Proceeds and other rents, income, proceeds and benefits of the Collateral contained in the Granting Clause of this Mortgage to the Mortgagee. Such assignment, grant and conveyance shall constitute an absolute, present and irrevocable assignment, grant and conveyance, provided that permission is hereby given to the Mortgagor, unless an Event of Default has occurred and is continuing and the Mortgagee has given notice to the Mortgagor, to collect, receive and apply such Rents, Proceeds and other rents, income, proceeds and benefits as they become due and payable, but not in advance thereof, and in accordance with all of the other terms, conditions and provisions hereof and of the Leases, contracts, agreements and other instruments with respect to which such payments are made or such other benefits are conferred. Upon the occurrence of and during the continuance of an Event of Default, such permission shall terminate immediately upon notice from the Mortgagee, and once so terminated shall not be reinstated upon a cure of such Event of Default without the express written consent of the Mortgagee. Such assignment shall be fully effective without any further action on the part of the Mortgagor or the Mortgagee and the Mortgagee shall be entitled, at its option, upon the occurrence of and during the continuance of an Event of Default hereunder, upon notice to the Mortgagor, to collect, receive and apply all Rents, Proceeds and all other rents, income, proceeds and benefits from the Collateral, including all right, title and interest of the Mortgagor in any escrowed sums or deposits or any portion thereof or interest therein, whether or not the Mortgagee takes possession of the Collateral or any part thereof. The Mortgagor further grants to the Mortgagee the right, at the Mortgagee's option upon the occurrence of and during the continuance of an Event of Default hereunder, upon notice to the Mortgagor, to:

(a) enter upon and take possession of the Property for the purpose of collecting Rents, Proceeds and said rents, income, proceeds and other benefits;

(b) dispossess by the customary summary proceedings any tenant, purchaser or other Person defaulting in the payment of any amount when and as due and payable, or in the performance of any other obligation, under the Lease, contract or other instrument to which said Rents, Proceeds or other rents, income, proceeds or benefits relate;

(c) let or convey the Collateral or any portion thereof or any interest therein;
and

(d) apply Rents, Proceeds and such rents, income, proceeds and other benefits, after the payment of all reasonably necessary fees, charges and expenses, on account of the Indebtedness in accordance with *Section 3.11*.

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Section 1.15 No Claims Against the Mortgagee. Nothing contained in this Mortgage shall constitute any consent or request by the Mortgagee, express or implied, for the performance of any labor or the furnishing of any materials or other property in respect of the Property or any part thereof, or be construed to permit the making of any claim against the Mortgagee in respect of labor or services or the furnishing of any materials or other property or any claim that any lien based on the performance of such labor or the furnishing of any such materials or other property is prior to the lien and security interest of this Mortgage.

Section 1.16 Indemnification. The Mortgagor will protect, indemnify, save harmless and defend the Mortgagee, and its respective officers, directors, shareholders, employees, representative, and agents (collectively, the "*Indemnified Parties*" and individually, an "*Indemnified Party*"), from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, attorneys' fees and expenses) imposed upon or incurred by or asserted against any Indemnified Party by reason of: (a) ownership of an interest in this Mortgage, any other Loan Document, or the Property; (b) any accident, injury to or death of persons or loss of or damage to or loss of the use of property occurring on or about the Property or any part thereof or the adjoining sidewalks, curbs, vaults and vault spaces, if any, streets, alleys or ways; (c) any use, non-use or condition of the Property or any part thereof or the adjoining sidewalks, curbs, vaults and vault spaces, if any, streets, alleys or ways; (d) any failure on the part of the Mortgagor to perform or comply with any of the terms of this Mortgage; (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Collateral or any part thereof made or suffered to be made by or on behalf of the Mortgagor; (f) any negligence or tortious act on the part of the Mortgagor or any of its agents, contractors, lessees, licensees or invitees, with respect to the Property; (g) any work in connection with any alterations, changes, new construction or demolition of or additions to the Property; or (h) (1) any investigation, litigation or proceeding relating to any environmental cleanup, audit, compliance or other matter relating to the protection of the environment or the Release by the Mortgagor of any Hazardous Material, and (2) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or releases from the Property of any Hazardous Material (including any losses, liabilities, damages, injuries, costs, expenses, or claims asserted or arising under any Environmental Law) regardless of whether caused by, or within the control of, the Mortgagor, except to the extent the same results from the gross negligence or willful misconduct of such Indemnified Party. If any action or proceeding be commenced, to which action or proceeding any Indemnified Party is made a party by reason of the execution of this Mortgage or any other Loan Document, or in which it becomes necessary to defend or uphold the lien of this Mortgage, all sums paid by the Indemnified Parties, for the expense of any litigation to prosecute or defend the rights and lien created hereby or otherwise, shall be paid by the Mortgagor to such Indemnified Parties, as the case may be, as hereinafter provided. The Mortgagor will pay and save the Indemnified Parties harmless against any and all liability with respect to any intangible personal property tax, documentary stamp tax or similar imposition of the state in which the Property is located or any subdivision or authority thereof now or hereafter in effect, to the extent that the same may be payable by the Indemnified Parties in respect of this Mortgage, any Loan Document or any of the Indebtedness. All amounts payable to the Indemnified Parties under this *Section 1.16* shall be deemed indebtedness secured by this Mortgage and any such amounts which are not paid within ten (10) days after written demand therefor by any Indemnified Party shall bear interest at the Interest Rate from the date of such demand. In case any action, suit or

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proceeding is brought against any Indemnified Party by reason of any such occurrence, the Mortgagor, upon request of such Indemnified Party, will, at the Mortgagor's expense, resist and defend such action, suit or proceeding or cause the same to be resisted or defended by counsel designated by the Mortgagor and approved by such Indemnified Party. The obligations of the Mortgagor under this *Section 1.16* shall survive any discharge or reconveyance of this Mortgage and discharge or termination of the Indebtedness.

Section 1.17 No Credit for Payment of Taxes. The Mortgagor shall not be entitled to any credit against the Indebtedness by reason of the payment of any tax on the Property or any part thereof or by reason of the payment of any other Imposition, and shall not apply for or claim any deduction from the taxable value of the Property or any part thereof by reason of this Mortgage.

Section 1.18 Hazardous Materials

(a) The Mortgagor shall indemnify and hold the Mortgagee harmless from any and all liability arising from the violation of any applicable environmental law or regulation applicable to the Property.

Section 1.19 No Transfer of the Property. Except as permitted by the Promissory Note, without the prior written consent of the Mortgagee, which consent may be granted or withheld in the sole and absolute discretion of the Mortgagee, the Mortgagor shall not (a) sell, convey, assign or otherwise transfer the Property or any portion of the Mortgagor's interest therein or (b) further encumber Property or permit the Property to become encumbered by any lien, claim, security interest or other indebtedness of any kind or nature other than the Permitted Encumbrances, except to the extent permitted by *Section 1.7* of this Mortgage. For purposes of this *Section 1.19*, any transfer of any stock of the Mortgagor shall be deemed to constitute a transfer of the Property within the meaning of this *Section 1.19*.

ARTICLE II.

INSURANCE; DAMAGE, DESTRUCTION OR TAKING, ETC.

Section 2.1 Insurance

(a) Risks to be Insured. The Mortgagor will, at its expense, maintain or cause to be maintained insurance required by the Promissory Note.

(b) Policy Provisions. All insurance maintained by the Mortgagor pursuant to *Section 2.1(a)* shall: (a) (except for worker's compensation insurance) name the Mortgagor and the Mortgagee, as insureds as their respective interests may appear; (b) (except for worker's compensation and public liability insurance) provide that the proceeds for any losses shall be adjusted by the Mortgagor subject to the approval of the Mortgagee if an Event of Default shall have occurred and be continuing; (c) provide that no cancellation, reduction in amount or material change in coverage thereof or any portion thereof shall be effective until at least 30 days after receipt by the Mortgagee of written notice thereof; and (d) provide that any notice under such policies shall be simultaneously delivered to the Mortgagee. Any insurance maintained pursuant to this *Section 2.1* may be evidenced by blanket insurance policies covering the

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Property and other properties or assets of the Mortgagor provided that any such policy shall specify the portion, if less than all, of the total coverage of such policy that is allocated to the Property and shall in all other respects comply with the requirements of this *Section 2.1*.

(c) Delivery of Policies, etc. The Mortgagor will deliver to the Mortgagee, promptly upon reasonable request: (a) the originals of all policies evidencing all insurance required to be maintained under *Section 2.1(a)* (or, in the case of blanket policies, certificates thereof by the insurers together with a counterpart of each blanket policy); and (b) evidence as to the payment of all premiums due thereon (with respect to public liability insurance policies, all installments for the current year due thereon to such date), provided that the Mortgagee shall not be deemed by reason of its custody of such policies to have knowledge of the contents thereof. The Mortgagor will also upon Mortgagee's request, deliver to the Mortgagee not later than 30 days prior to the expiration of any policy a binder or certificate of the insurer evidencing the replacement thereof and not later than 15 days prior to the expiration of such policy an original copy of the new policy (or, in the case of a replacement blanket policy, a certificate thereof of the insurer together with a counterpart of the blanket policy). In the event the Mortgagor shall fail to effect or maintain any insurance required to be effected or maintained pursuant to the provisions of this *Section 2.1*, the Mortgagor will indemnify the Mortgagee against damage, loss or liability resulting from all risks for which such insurance should have been effected or maintained.

(d) Separate Insurance. The Mortgagor will not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained pursuant to this *Section 2.1*.

Section 2.2 Damage, Destruction or Taking; Mortgagor to Give Notice; Assignment of Awards. In case of:

(a) any damage to or destruction of the Collateral or any part thereof in excess of \$500,000, or

(b) any taking in excess of \$500,000, whether for permanent or temporary use, of all or any part of the Collateral or any interest therein or right accruing thereto, as the result of or in anticipation of the exercise of the right of condemnation or eminent domain, or a change of grade affecting the Collateral or any portion thereof (a "*Taking*"), or the commencement of any proceedings or negotiations which may result in a Taking,

the Mortgagor will promptly give written notice thereof to the Mortgagee, generally describing the nature and extent of such damage or destruction and the Mortgagor's best estimate of the cost of restoring the Collateral, or the nature of such proceedings or negotiations and the nature and extent of the Taking which might result therefrom, as the case may be.

Section 2.3 Application of Proceeds and Awards. If an Event of Default shall not have occurred and be continuing, the Casualty Proceeds shall be applied to reconstruct any improvements located on the Property. If an Event of Default shall have occurred and be continuing, the Mortgagee may, at its option, apply all amounts recovered under any insurance policy required to be maintained by the Mortgagor hereunder and all other Casualty Proceeds received by it in any one or more of the following ways:

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(a) to the payment of the reasonable costs and expenses incurred by the Mortgagee in obtaining any such Casualty Proceeds, including the reasonable fees and expenses of attorneys and insurance and other experts and consultants, the costs of litigation, arbitration, mediation, investigations and other judicial, administrative or other proceedings and all other reasonable out-of-pocket expenses;

(b) to the payment of the Indebtedness and/or the Advances;

(c) to fulfill any of the other covenants contained herein, in the Promissory Note, in this Mortgage, or in any other Loan Document, as the Mortgagee may, in its sole discretion, determine;

(d) to the Mortgagor for application to the cost of restoring the Collateral and the replacement of Goods destroyed, damaged or taken; or

(e) to the Mortgagor.

ARTICLE III.

EVENTS OF DEFAULT; REMEDIES, ETC.

Section 3.1 Events of Default; Acceleration. If an "Event of Default" under and as defined in the Promissory Note shall have occurred (herein called an "*Event of Default*") then and in such event the Mortgagee may at any time thereafter (unless all Events of Default shall theretofore have been remedied or waived in writing and all costs and expenses, including, without limitation, attorneys' fees and expenses incurred by or on behalf of the Mortgagee, shall have been paid in full by the Mortgagor) declare, by written notice to the Mortgagor, the Loans and the Indebtedness to be due and payable immediately or on a date specified in such notice, and on such date the same shall be and become due and payable, together with interest accrued thereon, without presentment, demand, protest or notice, all of which the Mortgagor hereby waives. The Mortgagor will pay on demand all attorneys' fees and expenses, incurred by or on behalf of the Mortgagee in enforcing this Mortgage, the Promissory Note, or any other Loan Document, or occasioned by any default hereunder or thereunder.

Section 3.2 Legal Proceedings; Foreclosure. If an Event of Default shall have occurred and be continuing, the Mortgagee at any time may, at its election, proceed at law or in equity or otherwise to enforce the payment of, performance of, or compliance with the Loans, the Indebtedness, and the Promissory Note, in accordance with the terms hereof and thereof and to foreclose the lien of this Mortgage as against all or any part of the Collateral and to have the same sold under the judgment or decree of a court of competent jurisdiction. The Mortgagee shall be entitled to recover in any such proceedings all costs incident thereto, including court costs, attorneys' fees and expenses in such amounts as may be fixed by the court.

Section 3.3 Power of Sale. If an Event of Default shall have occurred and be continuing, the Mortgagee may sell, assign, transfer and deliver the whole or, from time to time, any part of the Collateral, or any interest in any part thereof, at any private sale or at public auction, with or without demand, advertisement or notice, for cash, on credit or for other property, for immediate or future delivery, and for such price or prices and on such terms as the

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Mortgagee in its sole discretion may determine, or as may be required by applicable law. Without limiting the authority granted in the immediately preceding sentence, the Mortgagee shall, without demand on the Mortgagor, after the lapse of such time as may then be required by applicable law, and notice of default and notice of sale having been given as then required by applicable law, sell the Collateral on the date and at the time and place designated in the notice of sale, either as a whole or in separate parcels and in such order as the Mortgagee may determine, but subject to any statutory right of the Mortgagor to direct the order in which such property, if consisting of several known lots, parcels or interests, shall be sold, at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The Person conducting the sale may, for any cause deemed expedient, postpone the sale from time to time until it shall be completed and, in every such case, notice of postponement shall be given by public declaration thereof by such Person at the time and place last appointed for the sale, provided that, if the sale is postponed for longer than 1 day beyond the day designated in the notice of sale, notice of sale and notice of the time, date and place of sale shall be given in the same manner as the original notice of sale. The Mortgagee shall execute and deliver to the purchaser at any such sale a mortgagee's deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such mortgagee's deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any Person, including the Mortgagee, may bid at the sale.

Section 3.4 Uniform Commercial Code Remedies. If an Event of Default shall have occurred and be continuing, the Mortgagee may exercise from time to time and at any time any rights and remedies available to it under applicable law upon default in the payment of indebtedness, including, without limitation, any right or remedy available to it as a secured party under the Uniform Commercial Code of the state in which the Property is located. The Mortgagor shall, promptly upon request by the Mortgagee, assemble the Collateral, or any portion thereof generally described in such request, and make it available to the Mortgagee at such place or places designated by the Mortgagee and reasonably convenient to the Mortgagee. If the Mortgagee elects to proceed under the Uniform Commercial Code of the state in which the Property is located to dispose of portions of the Collateral, the Mortgagee, at its option, may give the Mortgagor notice of the time and place of any public sale of any such property, or of the date after which any private sale or other disposition thereof is to be made, by sending notice by registered or certified first class mail, postage prepaid, to the Mortgagor or at least 10 Business Days before the time of the sale or other disposition. If any notice of any proposed sale, assignment or transfer by the Mortgagee of any portion of the Collateral or any interest therein is required by law, the Mortgagor conclusively agrees that 10 Business Days' notice to the Mortgagor of the date, time and place (and, in the case of a private sale, the terms) thereof is reasonable.

Section 3.5 Mortgagee Authorized to Execute Deeds, etc. The Mortgagor irrevocably appoints the Mortgagee (which appointment is coupled with an interest) the true and lawful attorney of the Mortgagor, in its name and stead and on its behalf, for the purpose of effectuating any sale, assignment, transfer or delivery for the enforcement hereof, whether pursuant to power of sale, foreclosure or otherwise, to execute and deliver all such deeds, bills of sale, assignments, releases and other instruments as may be designated in any such request.

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Section 3.6 Purchase of Collateral by Mortgagee. The Mortgagee may be a purchaser of the Collateral or of any part thereof or of any interest therein at any sale thereof, whether pursuant to power of sale, foreclosure or otherwise, and the Mortgagee may apply upon the purchase price thereof the indebtedness secured hereby owing to the Mortgagee. Such purchaser shall, upon any such purchase, acquire good title to the properties so purchased, free of the security interest and lien of this Mortgage and free of all rights of redemption in the Mortgagor.

Section 3.7 Receipt a Sufficient Discharge to Purchaser. Upon any sale of the Collateral or any part thereof or any interest therein, whether pursuant to power of sale, foreclosure or otherwise, the receipt of the Mortgagee or the officer making the sale under judicial proceedings shall be a sufficient discharge to the purchaser for the purchase money, and such purchaser shall not be obliged to see to the application thereof.

Section 3.8 Waiver of Appraisalment, Valuation, etc. The Mortgagor hereby waives, to the fullest extent it may lawfully do so, the benefit of all appraisalment, valuation, stay, extension and redemption laws now or hereafter in force and all rights of marshaling in the event of any sale of the Collateral or any part thereof or any interest therein.

Section 3.9 Sale a Bar Against Mortgagor. Any sale of the Collateral or any part thereof or any interest therein under or by virtue of this Mortgage, whether pursuant to power of sale, foreclosure or otherwise, shall forever be a bar against the Mortgagor.

Section 3.10 Performance of the Indebtedness Due on Sale. Upon any sale of the Collateral or any portion thereof or interest therein by virtue of the exercise of any remedy by the Mortgagee under or by virtue of this Mortgage, whether pursuant to power of sale, foreclosure or otherwise in accordance with this Mortgage or by virtue of any other remedy available at law or in equity or by statute or otherwise, at the option of the Mortgagee, any sums or monies due and payable pursuant to the Promissory Note, and in connection with the Loans and/or the Indebtedness shall, if not previously declared due and payable, immediately become due and payable, together with interest accrued thereon and all other indebtedness which this Mortgage by its terms secures.

Section 3.11 Application of Proceeds of Sale and Other Moneys. The proceeds of any sale of the Collateral or any part thereof or any interest therein under or by virtue of this Mortgage, whether pursuant to power of sale, foreclosure, or otherwise, and all other moneys at any time held by the Mortgagee as part of the Collateral, shall be applied, unless applicable law otherwise requires, as follows:

(a) first, to the payment of the reasonable costs and expenses of such sale (including, without limitation, the cost of evidence of title and the costs and expenses, if any, of taking possession of, retaining custody over, repairing, managing, operating, maintaining and preserving the Collateral or any part thereof prior to such sale), all reasonable costs and expenses incurred by the Mortgagee or any other Person in obtaining or collecting any insurance proceeds, condemnation awards or other amounts received by the Mortgagee, all reasonable costs and expenses of any receiver of the Collateral or any part thereof, and any Impositions or other

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charges or expenses prior to the security interest or lien of this Mortgage, which the Mortgagee may consider it necessary or desirable to pay:

(b) second, to the payment of any sums or monies due and owing under the Promissory Note, or otherwise in connection with the Indebtedness and/or the Advances;

(c) third, to fulfill any of the other covenants contained herein, in the Promissory Note, or in any other Loan Document, as the Mortgagee may, in its reasonable discretion, determine;

(d) fourth, the balance if, any, held by the Mortgagee after payment in full of all amounts referred to in *Sections 3.11 (a), (b) and (c)* above, shall, unless a court of competent jurisdiction may otherwise direct by final order not subject to appeal, be paid to or upon the direction of the Mortgagor, or its permitted successors and assigns.

Section 3.12 Appointment of Receiver. If an Event of Default shall have occurred and be continuing, the Mortgagee shall, as a matter of right, without notice, and without regard to the adequacy of any security for the indebtedness secured hereby or the solvency of the Mortgagor, be entitled to the appointment of a receiver for all or any part of the Collateral, whether such receivership be incidental to a proposed sale of the Collateral or otherwise, and the Mortgagor hereby consents to the appointment of such a receiver and will not oppose any such appointment.

Section 3.13 Possession, Management and Income. If an Event of Default shall have occurred and be continuing, in addition to, and not in limitation of, the rights and remedies provided in *Section 1.14*, the Mortgagee, upon 5 Business Days' notice to the Mortgagor, may enter upon and take possession of the Collateral or any part thereof by force, summary proceeding, ejectment or otherwise and may remove the Mortgagor and all other Persons and any and all property therefrom and may hold, operate, maintain, repair, preserve and manage the same and receive all earnings, income, Rents, issues and Proceeds accruing with respect thereto or any part thereof. The Mortgagee shall be under no liability for or by reason of any such taking of possession, entry, removal or holding, operation or management, except that any amounts so received by the Mortgagee shall be applied to pay all costs and expenses of so entering upon, taking possession of, holding, operating, maintaining, repairing, preserving and managing the Collateral or any part thereof, and any Impositions or other charges prior to the lien and security interest of this Mortgage which the Mortgagee may consider it necessary or desirable to pay, and any balance of such amounts shall be applied as provided in *Section 3.11*.

Section 3.14 Right of Mortgagee to Perform Mortgagor's Covenants, etc. If the Mortgagor shall fail to make any payment or perform any act required to be made or performed hereunder, the Mortgagee, upon thirty days' notice to the Mortgagor, without waiving or releasing any obligation or Default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of the Mortgagor, and may enter upon the Collateral for such purpose and take all such action thereon as, in the Mortgagee's reasonable opinion, may be necessary or appropriate therefor. No such entry and no such action shall be deemed an eviction of any lessee of the Property or any part thereof. All sums so paid by the Mortgagee and all reasonable costs and expenses (including, without limitation, attorneys' fees and expenses) so incurred together with interest thereon at the

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Interest Rate from the date of payment or incurring, shall constitute additional indebtedness secured by this Mortgage and shall be paid by the Mortgagor to the Mortgagee on demand.

Section 3.15 Subrogation. To the extent that the Mortgagee, on or after the date hereof, pays any sum due under any provision of any Legal Requirement or any instrument creating any lien prior or superior to the lien of this Mortgage, the Mortgagee shall have and be entitled to a lien on the Collateral equal in priority to the lien discharged, and the Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit the Mortgagee in securing the Indebtedness.

Section 3.16 Remedies, etc., Cumulative. Each right, power and remedy of the Mortgagee provided for in this Mortgage, the Promissory Note, or any other Loan Document, or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Mortgage, the Promissory Note or any other Loan Document, or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Mortgagee of any one or more of the rights, powers or remedies provided for in this Mortgage, the Promissory Note, or any other Loan Document, or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Mortgagee of any or all such other rights, powers or remedies.

Section 3.17 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Mortgage or any application thereof shall be invalid or unenforceable, the remainder of this Mortgage and any other application of such term shall not be affected thereby.

Section 3.18 No Waiver, etc. No failure by the Mortgagee to insist upon the strict performance of any term hereof or of the Promissory Note, or of any other Loan Document, or to exercise any right, power or remedy consequent upon a breach hereof or thereof, shall constitute a waiver of any such term or of any such breach. No waiver of any breach shall affect or alter this Mortgage, which shall continue in full force and effect with respect to any other then existing or subsequent breach. By accepting payment or performance of any amount or other obligations secured hereby before or after its due date, the Mortgagee shall not be deemed to have waived its right either to require prompt payment or performance when due of all other amounts payable or obligations due hereunder or to declare a default for failure to effect such prompt payment.

Section 3.19 Compromise of Actions, etc. Any action, suit or proceeding brought by the Mortgagee pursuant to any of the terms of this Mortgage, the Promissory Note, any Loan Document or otherwise, and any claim made by the Mortgagee hereunder or thereunder, may be compromised, withdrawn or otherwise dealt with by the Mortgagee without any notice to or approval of the Mortgagor, except as otherwise provided herein.

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ARTICLE IV.

DEFINITIONS

Section 4.1 Terms Defined in this Mortgage. When used herein the following terms have the following meanings:

“*Collateral*”: see the granting clause.

“*Default*” means any Event of Default or any condition or event which, after notice or lapse of time, or both, would constitute an Event of Default.

“*Event of Default*”: see *Section 3.1*.

“*herein*”, “*herof*”, “*hereto*”, and “*hereunder*” and similar terms refer to this Mortgage and not to any particular Section, paragraph or provision of this Mortgage.

“*Impositions*”: see *Section 1.5*.

“*Improvements*”: see clause (b) of the granting clause.

“*Indemnified Parties*”: see *Section 1.16*.

“*Insurance Requirements*”: see *Section 1.6*.

“*Interest Rate*” means the interest rate set forth in the Promissory Note.

“*Land*”: see the first recital.

“*Leases*”: see clause (c) of the granting clause.

“*Legal Requirements*” means all applicable laws, rules, regulations and orders.

“*Loan Documents*” means the Promissory Note, the Mortgage and any other document delivered to Mortgagee related to the Promissory Note.

“*Mortgage*”: see the preamble.

“*Mortgagee*”: see the preamble.

“*Mortgagor*”: see the preamble.

“*Permitted Encumbrances*”: see paragraph (a) of *Section 1.2*.

“*Person*” means a corporation, an association, a partnership, an organization, a business, an individual, a government or political subdivision thereof or a governmental agency or officer.

“*Proceeds*”: see clause (e) of the granting clause.

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“*Property*”: see clause(b) of the granting clause.

“*Real Estate*”: see clause (a) of the granting clause.

“*Rents*”: see clause (d) of the granting clause.

Section 4.2 Use of Defined Terms. Terms for which meanings are provided in this Mortgage shall, unless otherwise defined or the context otherwise requires, have such meanings when used in any certificate and any opinion, notice or other communication delivered from time to time in connection with this Mortgage or pursuant thereto.

ARTICLE V.

MISCELLANEOUS

Section 5.1 Further Assurances; Financing Statements

(a) **Further Assurances.** The Mortgagor, at its expense, will execute, acknowledge and deliver all such instruments and take all such other action as the Mortgagee from time to time may reasonably request:

(i) to better subject to the lien and security interest of this Mortgage all or any portion of the Collateral,

(ii) to perfect, publish notice or protect the validity of the lien and security interest of this Mortgage,

(iii) to preserve and defend the title to the Collateral and the rights of the Mortgagee therein against the claims of all Persons as long as this Mortgage shall remain undischarged,

(iv) to better subject to the lien and security interest of this Mortgage or to maintain or preserve the lien and security interest of this Mortgage with respect to any replacement or substitution for any Improvements or any other after-acquired property, or

(v) in order to further effectuate the purposes of this Mortgage and to carry out the terms hereof and to better assure and confirm to the Mortgagee its rights, powers and remedies hereunder.

Section 5.2 Financing Statements. Notwithstanding any other provision of this Mortgage, the Mortgagor hereby agrees that, without notice to or the consent of the Mortgagor, the Mortgagee may file with the appropriate public officials such financing statements, continuation statements, amendments and similar documents as are or may become necessary to perfect, preserve or protect the security interest granted by this Mortgage. The Mortgagee shall promptly thereafter deliver copies of such statements to the Mortgagor.

Section 5.3 Additional Security. Without notice to or consent of the Mortgagor, and without impairment of the security interest and lien and rights created by this Mortgage, the

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Mortgagee may accept from the Mortgagor or any other Person additional security for the Advances and/or the Indebtedness. Neither the giving of this Mortgage nor the acceptance of any such additional security shall prevent the Mortgagee from resorting first to such additional security, or first to the security created by this Mortgage, or concurrently to both, in any case without affecting the Mortgagee's lien and rights under this Mortgage.

Section 5.4 Defeasance. If the Loans and all other amounts owing pursuant to the Promissory Note and the other Loan Documents shall be repaid in full in accordance with the terms thereof, and if the Mortgagor shall pay, in full, the principal of and premium, if any, and interest on any sums due and payable pursuant to the Indebtedness in accordance with the terms thereof and hereof and all other sums payable hereunder by the Mortgagor and shall materially comply with all the terms, conditions and requirements hereof and of the Indebtedness, then on such date, this Mortgage shall be (except as provided herein) null and void and of no further force and effect and the Collateral shall thereupon be, and be deemed to have been, reconveyed, released and discharged from this Mortgage without further notice on the part of either the Mortgagor or the Mortgagee, and Mortgagee shall promptly execute and deliver to Mortgagor a satisfaction, release or termination instrument if required in connection therewith.

Section 5.5 Notices, etc Any notice, request or other communication hereunder to any of the parties hereto shall be in writing and be well and sufficiently given if delivered personally or sent by prepaid registered mail, return receipt requested, to its address and to the attention of the person set forth below:

if to the Mortgagor: 1804 Naper Blvd. Suite 450
Naperville, Illinois 60563-8002
Attention: Samir Lakhany

if to the Mortgagee: 1804 Naper Blvd. Suite 450
Naperville, Illinois 60563-8002
Attention: Ashraf Lakhany

Any such notice shall be deemed to be given and received when delivered, or if mailed, on the 3rd Business Day following the date on which it was mailed, unless an interruption of postal services occurs or is continuing on or within the 3 Business Days after the date of mailing in which case the notice shall be deemed to have been received on the 3rd Business Day after postal service resumes. Either party may, by notice to the other, given as aforesaid, designate a changed address.

Section 5.6 Waivers, Amendments, etc. The provisions of this Mortgage may be amended, discharged or terminated and the observance or performance of any provision of this Mortgage may be waived, either generally or in a particular instance and either retroactively or prospectively, only by an instrument in writing executed by the Mortgagor and the Mortgagee.

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Section 5.7 Cross-References. References in this Mortgage and in each instrument executed pursuant hereto to any Section or Article are, unless otherwise specified, to such Section or Article of this Mortgage or such instrument, as the case may be, and references in any Section, Article or definition to any clause are, unless otherwise specified, to such clause of such Section, Article or definition.

Section 5.8 Headings. The various headings of this Mortgage and of each instrument executed pursuant hereto are inserted for convenience only and shall not affect the meaning or interpretation of this Mortgage or such instrument or any provisions hereof or thereof.

Section 5.9 Currency. Unless otherwise expressly stated, all references to any currency or money, or any dollar amount, or amounts denominated in "Dollars" herein will be deemed to refer to the lawful currency of the United States.

Section 5.10 Governing Law. THIS MORTGAGE SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS.

Section 5.11 Successors and Assigns, etc. This Mortgage shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

Section 5.12 Waiver of Jury Trial; Submission to Jurisdiction

(a) EACH OF THE MORTGAGOR AND THE MORTGAGEE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS MORTGAGE, THE PROMISSORY NOTE, ANY LOAN DOCUMENT OR ANY OTHER RELATED INSTRUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF THE MORTGAGOR OR THE MORTGAGEE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE MORTGAGEE TO ENTER INTO THIS MORTGAGE.

(b) FOR THE PURPOSE OF ANY ACTION OR PROCEEDING INVOLVING THIS MORTGAGE, THE PROMISSORY NOTE, OR ANY OTHER LOAN DOCUMENT, THE MORTGAGOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ALL FEDERAL AND STATE COURTS LOCATED IN THE STATE OF ILLINOIS AND CONSENTS THAT IT MAY BE SERVED WITH ANY PROCESS OR PAPER BY REGISTERED MAIL OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF ILLINOIS IN ACCORDANCE WITH APPLICABLE LAW, PROVIDED A REASONABLE TIME FOR APPEARANCE IS ALLOWED. THE MORTGAGOR EXPRESSLY WAIVES, TO THE EXTENT IT MAY LAWFULLY DO SO, ANY OBJECTION, CLAIM OR DEFENSE WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF THIS MORTGAGE, THE PROMISSORY NOTE OR ANY OTHER LOAN DOCUMENT IN ANY SUCH COURT, IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN

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BROUGHT IN AN INCONVENIENT FORUM AND FURTHER IRREVOCABLY WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO ANY SUCH CLAIM, SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER THE PERSON OF THE MORTGAGOR.

Section 5.13 Severability. Any provision of this Mortgage, the Promissory Note, or any other Loan Document, which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Mortgage, the Promissory Note, or such Loan Document or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 5.14 Loan Document. This Mortgage is a Loan Document executed pursuant to the Promissory Note and, unless otherwise expressly indicated herein, shall be construed, administered and applied in accordance with the terms and provisions thereof.

Section 5.15 Usury Savings Clause. It is the intention of the Mortgagor and the Mortgagee to conform strictly to the usury laws governing the Loan Documents, and any interest payable under the Loan Documents shall be subject to reduction to the amount not in excess of the maximum non-usurious amount allowed under such laws, as construed by the courts having jurisdiction over such matters. In the event the maturity of the Indebtedness is accelerated by reason of any provision of the Loan Documents, or by reason of an election by the Mortgagee resulting from an Event of Default, then earned interest may never include more than the maximum amount permitted by law, computed from the dates of each advance of loan proceeds under the Promissory Note until payment, and any interest in excess of the maximum amount permitted by law shall be canceled automatically or, if theretofore paid, at the option of the Mortgagee, shall be rebated to the Mortgagor, or shall be credited on the principal amount of the Indebtedness or, if all principal has been repaid, then the excess shall be rebated to the Mortgagor. If any interest is canceled, credited against principal or rebated to the Mortgagor in accordance with the foregoing sentence and, if thereafter the interest payable hereunder is less than the maximum amount permitted by applicable law, the rate hereunder shall automatically be increased to the maximum extent possible to permit repayment to the Mortgagee as soon as possible of any interest in excess of the maximum amount permitted by law which was earlier canceled, credited against principal or rebated to the Mortgagee pursuant to the provisions of the foregoing sentence.

Section 5.16 Conflict with Promissory Note. In the event of any conflict between the provisions of the Promissory Note and the provisions of this Mortgage, the applicable provisions of the Promissory Note shall govern and control.

ARTICLE VI.

STATE SPECIFIC PROVISION

Section 6.1 Illinois Provisions. The following section applies to the Collateral located in the State of Illinois and shall supersede any other inconsistent or conflicting provision hereof.

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(a) **Maximum Amount Secured Hereby.** The indebtedness evidenced by the Promissory Note and secured hereby shall in no event exceed an amount equal to \$4,600,000.00.

(b) **Illinois Mortgage Foreclosure Law; Waiver of Statutory Rights.** The Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 et seq. ("**IMFL**") shall apply to any foreclosure under this Mortgage and shall supersede any provision of this Mortgage that are inconsistent with the IMFL. Mortgagor hereby waives, to the extent now or hereafter permitted by law, all rights of redemption and reinstatement of this Mortgage pursuant to the IMFL on behalf of itself and all those taking by, through or under Mortgage. Mortgagor acknowledges that the Property does not constitute "agricultural real estate," as such term is defined in Section 15-1201 of IMFL or "residential real estate," as such term is defined in Section 15-1219 of IMFL.

(c) **Collateral Protection Insurance.** The following notice is provided pursuant to paragraph (3) of Section 180/10 of Chapter 815 of the Illinois Compiled Statutes (1998):

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

(d) **Mortgagee In Possession.** In addition to any provision of this Mortgage authorizing Mortgagee to take or be placed in possession of the Property, or for the appointment of a receiver, Mortgagee shall have the right, in accordance with Sections 15-1701 and 15-1702 of IMFL, to be placed in possession of the Property 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 powers, immunities, and duties as provided for in Sections 15-1701 and 15-1703 of IMFL.

(e) **Use of Loan Proceeds.** Mortgagor covenants and agrees that all of the proceeds of the Loan secured by this Mortgage will be used solely for business purposes and in furtherance of the regular business affairs of Mortgagor, and the entire principal obligation secured hereby constitutes: (i) a "business loan," as that term is used in, and for all purposes of, the Illinois Interest Act, 815 ILCS 205/0.01 et seq., including Section 4(1)(c) thereof; and (ii) a "loan secured by a mortgage on real estate" within the purview and operation of Section 205/4(1)(l) thereof.

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(f) **Future Advances; Revolving Credit.** Mortgagee is obligated under the terms of the Promissory Note to make advances as provided therein, and Mortgagor acknowledges and intends that all such advances, including future advances whenever hereafter made, shall be secured by the lien of this Mortgage, as provided in Section 15-1302(b)(1) of the IMFL. Mortgagor covenants and agrees that this Mortgage shall secure the payment of all loans and advances are made as of the date hereof or at any time in the future, and whether such future advances are obligatory or are to be made at the option of Mortgagee or otherwise (but not advances or loans made more than 20 years after the date hereof), to the same extent as if such future advances were made on the date of the execution of this Mortgage and although there may be no advances made at the time of the execution of this Mortgage and although there may be no other indebtedness outstanding at the time any advances is made. The lien of this Mortgage shall be valid as to all Indebtedness, including future advances, from the time of its filing of record in the office of the Recorder of Deeds of the County in which the Property is located. The total amount of the Indebtedness may increase or decrease from time to time, but the total unpaid principal balance of the Indebtedness (including disbursements which Mortgagee may make under this Mortgage or any other document or instrument evidencing or securing the Collateral) at any time outstanding shall not exceed the amount referred to in *Section 6.1(a)* of this Mortgage. This Mortgage shall be valid and shall have priority over all subsequent liens and encumbrances, including a statutory liens except taxes and assessments levied on the Mortgaged Property or such other liens that shall have priority by operation of law, to the extent of the maximum amount secured hereby.

(g) **Intentionally Omitted.**

(h) **Protective Advances.** All advances, disbursements and expenditures made by Mortgagee in accordance with the terms of this Mortgage and the Loan Documents, either before and during a foreclosure of this Mortgage and before and after judgment of foreclosure therein, and at any time prior to sale of the Collateral, and, where applicable, after sale of the Collateral, and during the pendency of any related proceedings, in addition to those otherwise authorized by IMFL (collectively "*Protective Advances*") shall have the benefit of all applicable provisions of the IMFL.

(i) **Foreclosure Expense; Application of Proceeds**

(i) In any suit to foreclose the lien hereof or enforce any other remedy of the Mortgagee under this Mortgage, the Promissory Note or any other Loan Documents, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee, including, without limitation for 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 decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as may be permitted pursuant to applicable law or as the Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Property. All expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of the Property and the maintenance

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of the lien of this Mortgage, including the reasonable fees of any attorney employed by the Mortgagee in any litigation or proceeding affecting this Mortgage, the Promissory Note or any other Loan Document or the Property, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be so much additional indebtedness secured by this Mortgage.

(ii) Notwithstanding anything contained in *Section 3.13* of the Mortgage to the contrary, the proceeds of any foreclosure sale of the Property shall be distributed and applied in accordance with Section 15-1512 of the IMFL in the following order of priority: first, on account of all reasonable costs and expenses incident to the foreclosure proceedings or such other remedy, second, on account of all reasonable costs and expenses in connection with securing possession of the Property prior to such foreclosure sale, and the reasonable costs and expenses incurred by or on behalf of Mortgagee in connection with holding, maintaining and preparing the Property for sale, third, in satisfaction of all claims in the order of priority adjudicated in the order of priority adjudicated in the foreclosure judgment or order confirming sale, and fourth, any remainder in accordance with the order of court adjudicating the foreclosure proceeding.

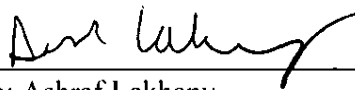
[Remainder of page intentionally left blank; signature page follows.]

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

MORTGAGOR:

LAKHANY HOLDINGS, LLC,
an Indiana limited liability company

By: 
Name: Ashraf Lakhany
Title: Manager

Property of Cook County Clerk's Office

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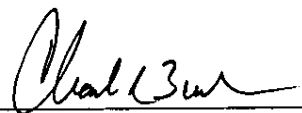
ACKNOWLEDGMENT

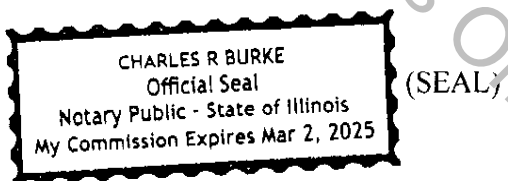
STATE OF Illinois)
)
COUNTY OF Cook)

On February 13, 2024, before me, Charles R Burke, Notary Public, personally appeared Ashraf Lakhany, Manager of Lakhany Holdings, LLC, an Indiana limited liability company, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Illinois that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 



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SCHEDULE 1

LEGAL DESCRIPTION OF THE LAND

LOT 2 IN GRANITE CITY SUBDIVISION, BEING A PART OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 20, 2014 AS DOCUMENT NO. 1414016047, IN COOK COUNTY, ILLINOIS

PIN NO. 0713-103-015-6000

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EXHIBIT A

LEASES AND OTHER OCCUPANCY AGREEMENTS

Lease with Schaumburg Hotel Partners, LLC of even date with this Mortgage

4873-8062-3799.v.1

Property of Cook County Clerk's Office

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387