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MORTGAGE

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THIS INDENTURE OF MORTGAGE, made as of this 1st day of October, 1985, between BANK OF RAVENSWOOD, not personally, but as Trustee under Trust Agreement dated September 4, 1984, and known as Trust No. 25-6499 ("Mortgagor") having an office at 1825 West Lawrence Avenue, Chicago, Illinois, and COMBINED INSURANCE COMPANY OF AMERICA ("Mortgagee") having an office at 222 North Dearborn Street, Chicago, Illinois 60601.

W I T N E S S E T H:

THAT WHEREAS, Mortgagor is justly indebted to the Mortgagee in the aggregate principal sum of up to FIVE MILLION EIGHT HUNDRED FORTY THOUSAND and 00/100 DOLLARS (\$5,840,000.00), or such lesser sum as may be disbursed by Mortgagee to Mortgagor pursuant to the terms of a note up to that amount, of even date herewith, made by Mortgagor payable to the order of Mortgagee (the "Note"), at its office aforesaid or at such other place as may be designated in writing by the legal holder thereof, and in and by which the Mortgagor promises to pay the said principal sum with interest thereon at the rate set forth therein, in stated monthly installments, until the entire principal and interest have been paid, but in any event, the balance (if any) remaining unpaid plus interest shall be due and payable five years after the date of the first disbursement under the Note.

NOW, THEREFORE, in order to secure the payment of the said principal sum of money and interest aforesaid and the performance of the covenants herein contained, and also to secure the payment of any and all other indebtedness, direct or contingent, that may now or hereafter become owing from Mortgagor to Mortgagee, Mortgagor does by these presents CONVEY and MORTGAGE unto Mortgagee, its successors and assigns forever, the real estate, situate, lying and being in the Village of Northbrook, County of Cook, State of Illinois described on Exhibit A annexed hereto and made a part hereof (the "Real Estate"), together with all improvements thereon situated and which may hereafter be erected or placed thereon, and all and singular the tenements, hereditaments, and appurtenances and easements thereunto belonging and the rents, issues and profits thereof, which are hereby expressly conveyed and assigned to the Mortgagee as additional security and as an equal and primary fund with the property herein conveyed for the repayment of the moneys secured by this Mortgage, and any and all appurtenances, fixtures and equipment in or that may at any time be placed in any building now or hereafter standing on said Real Estate (all such items conveyed are referred to herein as the "Premises").

It is mutually covenanted and agreed, by and between the parties hereto that, in addition to all other things which at law or by convention are regarded as fixtures, and specifically but not by way of limitation all shades and awnings, screens and carpets, doors, shrubbery, gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, bathtubs, sinks, water-closets, basins, pipes, faucets and other plumbing and heating fixtures, mirrors, mantels, refrigerating plants, iceboxes, electric refrigerators, air conditioning apparatus, cooking apparatus and appurtenances, and such other goods and chattels as may ever be furnished by a landlord in letting and operating an unfurnished building, similar to any building now or hereafter standing on said Premises, whether or not the same are or shall be attached to said building by nails, screws, bolts, pipe connections, masonry, or in any other manner whatsoever, which are now or hereafter to be used upon said described Premises shall be

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conclusively deemed to be "fixtures" and an accession to the freehold and a part of the Premises, whether affixed or annexed or not, and conveyed by this Mortgage; and all the estate, right, title or interest of the said Mortgagor in and to said Premises, property, improvements, furniture, apparatus, furnishings and fixtures, are hereby expressly conveyed, assigned and pledged.

TO HAVE AND TO HOLD the above described Premises with the appurtenances and fixtures thereto appertaining or belonging unto the Mortgagee, its successors and assigns, forever, for the purposes herein set forth and for the security of the Note and interest thereon.

The Mortgagor hereby expressly covenants and agrees with the Mortgagee, its successors and assigns, as follows:

1. Ability to Mortgage the Premises. That said Mortgagor has unencumbered title, in fee simple absolute, to the Premises and has full right and power to convey and mortgage the same and covenants and agrees to execute and deliver or cause to be executed and delivered all further assurances of title necessary or by the Mortgagee deemed advisable to effectuate the first Mortgage security hereby given, when so requested by the Mortgagee, its successors and assigns.

2. Covenants of Mortgagor. The Mortgagor further covenants and agrees with the Mortgagee, its successors and assigns, as follows: (1) to pay all indebtedness hereby secured as the same from time to time becomes due and agrees that if remittance be made in payment of principal or interest or otherwise either by check or draft, it shall be subject to the condition that such check or draft may be handled for collection in accordance with the practice of the collecting bank or banks, and that any receipt issued therefor shall be void unless the amount due is actually received by the Mortgagee; (2) to keep said Premises in good repair and commit no waste on said Premises and to do nothing and to permit nothing to be done that may materially impair the value of the premises or the security intended to be effected by this Mortgage; (3) to pay promptly, when due, all taxes and assessments, levied or assessed upon the mortgaged property, and, in no event, to permit said Premises, or any part thereof, to be sold or forfeited for nonpayment of such taxes or assessments; (4) not to permit the lien of any mechanics or materialmen or any prior or subordinate lien of any kind to attach to or to remain against the said Premises; (5) to comply strictly with all of the laws, ordinances, and rulings of any municipal or other governmental department relating to said Premises. Notwithstanding the foregoing, Mortgagor shall have the right to contest in good faith and with reasonable diligence the validity of any taxes, assessments or liens or claimed taxes, assessments or liens provided that Mortgagor shall provide Mortgagee with title insurance over said tax, assessment or lien acceptable to Mortgagee or deposit with Mortgagee of a sum of money or other adequate security equal to 150% of the amount of the claims to be contested to ensure payment thereof and to prevent any sale, foreclosure or forfeiture of the Premises by reason of nonpayment thereof. Upon the conclusion of any such contest and in the event of an adverse result, Mortgagor shall immediately satisfy any judgment rendered or decree entered and shall at its expense cause any such claim or lien to be released. In the event the Mortgagor shall fail to keep and perform any of the foregoing covenants and agreements, then the Mortgagee may, at its option, (1) pay any delinquent taxes or assessments or redeem such Premises from any tax sale or forfeiture or purchase any tax title obtained or that shall be obtained thereon; (2) pay or compromise any and all suits or claims for liens by mechanics or materialmen or any other suits or claims that may be made against said Premises; (3) make repairs upon said Premises; or (4) pay insurance premiums on policies covering said Premises; and the said Mortgagor further covenants and agrees to repay forthwith, without demand, all moneys paid for any such purpose and any other

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moneys advanced by the Mortgagee to protect the lien of this Mortgage, with interest thereon at an annual rate equal to the greater of fourteen percent (14%) or two percent (2%) over the prime rate of interest as announced from time to time by The First National Bank of Chicago (the "Default Rate"), and all such moneys shall, if not otherwise repaid, become so much additional indebtedness secured by this Mortgage and be included in any decree foreclosing this Mortgage and be paid out of the rents, issues and profits of the Premises, or out of the proceeds of sale of said Premises; and it shall not be obligatory upon the Mortgagee to inquire into the validity of (1) any such tax deed, taxes or assessments or of sale or of forfeitures therefor, or (2) claims of liens of mechanics or materialmen or other liens or claims affecting said Premises before advancing money in their behalf, as herein authorized, but nothing herein contained shall be construed as requiring the Mortgagee to advance or expend any moneys for any purpose aforesaid nor shall any such payments or advancements be construed so as to in any way limit or impair the right of the Mortgagee to avail itself of such default by taking such action at law or in equity as it may deem necessary or advisable to enforce the security hereby given it.

3. Hazard Insurance. The Mortgagor further agrees to keep, at its expense, all buildings, improvements and fixtures constituting part of the Premises, until the indebtedness secured hereby is fully repaid, insured against loss or damage by fire, lightning, war, tornado, rents or other casualty for such amounts and with such insurance company or companies as may be satisfactory to the Mortgagee, and it is hereby expressly agreed that the Mortgagee shall not be liable for any failure to insure or for the insolvency or irresponsibilities of any such insurance company or companies. All sums recoverable on any such insurance policy shall be made payable to the Mortgagee, by a mortgage clause, satisfactory to the Mortgagee, to be attached to such policies, except in case of sale pursuant to a foreclosure of this Mortgage, from which time and until the period of redemption, if any, shall expire, said insurance policy or policies shall be made payable to the holder of the certificate of sale. All such policies shall be retained by the Mortgagee as additional security for the indebtedness secured by this Mortgage and by the holder of the Master's certificate for the amount secured by any certificate of sale or decree of foreclosure; and in the event any such insurance policy shall expire during the life of this Mortgage, or any extension thereof, the Mortgagor hereby agrees to procure the insurance policies complying with the above qualifications, replacing said expired policies and depositing the same with the Mortgagee together with receipts (showing the premiums therefor have been paid in full) at least ten (10) days prior to said expiration dates. Such insurance policy shall provide that Mortgagee shall be given not less than ten (10) days advance notice of cancellation or termination of the policy. In case of loss the Mortgagee or the holder of any certificate of sale, or the holder of a decree of sale is hereby authorized to settle and adjust any claims under such policies or to allow said Mortgagor, to settle with the insurance company or companies the amount to be paid upon the loss; and in either case such holder of the policy is authorized to collect and receipt for such insurance money and apply it, at the option of the Mortgagee, in reduction of the principal or any other indebtedness hereby secured, whether due or not, or may allow the Mortgagor to use said insurance money, or any part thereof, in repairing the damage or restoring the improvements, without affecting the lien hereof for the full amount secured hereby, and during the time said insurance money may be retained by the Mortgagee, the Mortgagee shall not be liable for any interest thereon; that in case of a loss after foreclosure proceedings have been instituted, the proceeds of any such insurance, if not applied as aforesaid in repairing damage or restoring improvements, shall be used to pay the amount due in accordance with the decree of foreclosure and any other indebtedness secured hereby, and the balance, if any, shall be paid to the owner of the equity of

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redemption, if any, on reasonable request or as the court may direct. Notwithstanding any of the foregoing provisions to the contrary, the Mortgagee shall, prior to the institution of foreclosure proceedings and provided Mortgagor is not then in default under any of the terms or provisions of this Mortgage, allow the Mortgagor to repair or restore the improvements as provided herein.

In case of loss or damage by fire or other casualty to the Development, any insurance proceeds shall be paid to Mortgagee to be applied, at Mortgagor's option, either to prepayment of the Note without premium or penalty, or to the reimbursement of Mortgagor from time to time for expenses incurred by it in the repair or restoration of the Development. Notwithstanding anything herein to the contrary, Mortgagee shall advance any insurance proceeds to Mortgagor for repair or restoration of the Development in accordance with the provisions for advances or disbursements under the terms of this Agreement, provided Mortgagor shall provide Mortgagee with evidence satisfactory to Mortgagee that (i) the insurance proceeds are sufficient to meet the cost of restoring the Development in accordance with the Plans, or Mortgagor has deposited with Mortgagee an amount equal to the amount by which the cost of repair or restoration exceeds the insurance proceeds; (ii) the repairs or restoration will be carried out in accordance with the Plans; (iii) the repairs, restoration and completion of the Development will be in compliance with the Timing Schedule; and (iv) the undisbursed portion of the Loan budgeted for interest costs is sufficient to keep interest payments current during such repairs and restoration and through the completion date as provided in the Timing Schedule.

All proceeds of insurance and other funds deposited with Mortgagee hereunder shall be fully expended by Mortgagor before the disbursement of any further advances of the Loan. In the event of deposit by Mortgagor of the full amount required to complete construction of the Development and the subsequent receipt of proceeds of insurance, such proceeds of insurance, as and when received, may be collected and retained by Mortgagee.

4. Partial Releases. Any part of the security hereof described may be released by the Mortgagee without affecting the lien hereof on the remainder. The liability of the Mortgagor on said Note shall continue in its original force and effect until such Note and interest thereon are paid in full; Mortgagee may, by written and signed agreement with the then record owner of said Premises, or with the heirs, executors, administrators, devisees, successors or assigns of such record owner, or with any one or more persons liable, whether primarily or secondarily, for the payment of any indebtedness secured hereby, without notice to any other of said persons, extend the time of payment of said indebtedness, or any part hereof, without thereby modifying or affecting the lien of its Mortgage or releasing any such person from any liability for such indebtedness, and this Mortgage shall be security for all additional interest under such extension agreement; and the granting of any extension or extensions of time of payment of the Note or interest thereon either to the maker or to any other person, or the releasing of a portion of the security thereof, or taking other or additional security for the payment of said indebtedness, or waiver of or failure to exercise any right to mature or to enforce the whole debt under any covenant or stipulation herein contained, or extending the time of payment of any other indebtedness or liability secured hereby, shall not in any way affect this Mortgage or the rights of the Mortgagee hereunder, or operate as a release from any liability upon said Note or said indebtedness under any covenant or stipulation herein contained.

5. Events of Default. Upon the occurrence of an Event of Default, as such term is defined and described in the Construction Loan Agreement of even date herewith between Mortgagor, its beneficiary and Mortgagee (the "Construction Loan Agreement"), then,

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at the option of the Mortgagee, the entire unpaid amount of said Note, together with interest accrued thereon at such time remaining unpaid, and together with all advancements made by the Mortgagee, shall become immediately due and payable without notice to the Mortgagor or any one claiming by, through or under it.

6. Remedies Upon an Event of Default. The Mortgagor agrees that upon an Event of Default by the Mortgagor under the Construction Loan Agreement or a default under any covenant, agreement or undertaking contained herein if said Event of Default is not cured within applicable grace periods as set forth in the construction Loan Agreement, the Mortgagee shall have the right immediately to foreclose this Mortgage. In any foreclosure proceeding the court shall, upon application, at once, and without notice to the said Mortgagor, or any party claiming under said Mortgagor, and without giving bond on such application (such notice and bond being hereby expressly waived) and also without reference to the value of said Premises, to the use of said Premises as a homestead, or to the solvency or insolvency of any person liable for any said indebtedness, appoint a receiver for the benefit of the legal holder of the indebtedness secured hereby, to take possession of the Premises, with power to collect rents, issues and profits of the said Premises then due or to become due during the pendency of such foreclosure suit, and until the time to redeem the same shall expire (such rents, issues and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by this Mortgage); this provision for appointment of a receiver being expressly a condition upon which the loan hereby secured was made; and the Mortgagor hereby further consents that said receiver may, out of the said rents, issues and profits, pay prior or subordinate liens, taxes, assessments, water rates and insurance on said Premises then due or unpaid or accruing whether before or after the filing of such bill, and for any necessary repairs thereon, and management and rental fees and any other proper charges, and the amount of any deficiency decree; provided that, in case of any Event of Default or default as aforesaid, as a concurrent (and not alternative or exclusive) remedy and measure for making effective the terms, provisions and purposes hereof, it shall be lawful for the Mortgagee, its agent or attorney forthwith (either with or without process of law, forcibly or otherwise) to enter upon and take possession of said Premises and property and to expel and remove any person, goods or chattels, occupying or upon the same, to collect and to receive all the rents, issues and profits therefrom, from time to time, to manage and control the same and make all necessary repairs, and lease the same or any part thereof at such rentals as in its sole discretion it may deem just and reasonable, and after deducting all reasonable attorneys' fees and all expenses incurred in the protection, care, repair and management of said Premises, apply the remaining income upon the indebtedness hereby secured in the same manner as is hereinafter provided upon the sale of said Premises under foreclosure; and the said Mortgagor hereby expressly releases and waives any and all right to possession, control or management of the said mortgaged property, or to the rents, issues and profits therefrom, after any Event of Default or breach of the terms or provisions of this Mortgage and the said Mortgagor hereby further expressly releases and waives any and all damages and claims for damages occasioned by such expulsion.

7. Costs upon Foreclosure. In the case of the foreclosure of the lien of this Mortgage by the Mortgagee in any court of law or equity, there shall be allowed all court costs and expenses incurred by the Mortgagee, including reasonable attorneys' fees, stenographers' charges, costs of procuring a complete abstract of title to said mortgaged property and continuations thereof, opinions of title or title guaranty policies and continuations thereof covering said foreclosure proceedings, costs of procuring testimony and evidence and all costs and expenses incurred by the Mortgagee in and about any such suit or proceeding, or in the preparation

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therefor; and in case the Mortgagee shall be made party to any suit or legal proceedings by reason of this Mortgage, its costs, expenses and reasonable attorneys' fees in such suit or proceedings shall be paid by the Mortgagor and if not paid shall become so much additional indebtedness hereunder and shall be a further lien or charge upon said mortgaged property.

8. Total Indebtedness. All fees and expenses allowable pursuant to the provisions hereof shall be additional indebtedness secured hereby and shall be a charge upon the Premises and shall constitute a lien thereon prior and paramount to the Note and interest secured hereby, and whenever possible shall be provided for in any judgment or decree entered in any such proceedings. There shall be included in any decree foreclosing the lien of this Mortgage and be paid out of the rents or proceeds of any sale made in pursuance of any such decree in the following order: (1) all costs of such suit or suits, advertising, sale and conveyance, reasonable attorneys' fees of attorneys for the Mortgagee, stenographers' fees, outlays for documentary evidence and costs of abstract and examination of title, title opinions and title guaranty policies; (2) all moneys advanced by the Mortgagee for any purpose authorized in the Mortgage, with interest on such advances at the Default Rate; (3) all the accrued interest remaining unpaid on the indebtedness hereby secured; (4) all of the principal disbursed under the Note at such time remaining unpaid. The overplus of the proceeds of the sale, if any, shall then be paid to the Mortgagor. In case, after legal proceedings are instituted to foreclose the lien of this Mortgage under is made of the entire indebtedness due hereunder, the Mortgagee shall be entitled to reimbursement for expenses incurred in connection with such legal proceedings, including such expenditures as are enumerated above, and such expenses shall be so much additional indebtedness secured by this indenture, and no such suit or proceedings shall be dismissed or otherwise disposed of until such fees, expenses and charges shall have been paid in full.

9. Due on Sale.

A. Except as otherwise provided herein, Mortgagor will not, without the prior written consent of Mortgagee, transfer, convey, mortgage, assign or encumber the Premises. The beneficiary of Mortgagor will not assign or convey their beneficial interest in Mortgagor without the prior written consent of Mortgagee. If the beneficiary of Mortgagor is a partnership or joint venture, there shall be no encumbrance, assignment or conveyance of a majority in interest of the original partners or joint venturers in the partnership or joint venture without the prior written consent of Mortgagee. If the beneficiary of Mortgagor is a joint venture and one or more of the joint venturers is a partnership, joint venture or corporation, then the current owners of the partnership, joint venture or corporation which is a joint venturer of Mortgagor shall retain at all times not less than a fifty-one percent (51%) ownership interest in said joint venturer. Notwithstanding the foregoing, the exercise of the rights of a joint venturer in a joint venture which is the beneficiary of Mortgagor to exercise any right to purchase the interest in the joint venture of any other joint venturer as set forth in the Joint Venture Agreement shall not require the consent of Mortgagee and is a permitted transaction. Whenever the consent of Mortgagee is required under this paragraph, such consent may be withheld by Mortgagee for any reason.

B. Mortgagor may obtain a partial release of this Mortgage, upon contracting to sell one or more completed condominium units (the "Units") to be constructed on the Premises to a purchaser ("Unit Purchaser") upon the terms contained herein. If one or more Units are being sold to a Unit Purchaser, Mortgagee shall effect a partial release of this Mortgage and other security as to such Unit or Units being sold, including (1) the personal property being sold by the Mortgagor appurtenant to such Unit(s), and (2) the Unit's pro rata share of the common elements created pursuant to any declaration of condominium, upon the following terms:

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(1) If the Unit(s) are being sold entirely for cash, Mortgagee shall effect its release as to the Unit(s) being sold if and only if Mortgagee receives the total cash proceeds from the sale of the Units, less only brokerage fees, title charges, reasonable attorneys' fees and other expenses directly related to each sale; provided, however, that the sales proceeds actually received by Lender due to the sale of a Unit must equal or exceed a number equal to Five Million Eight Hundred Forty Thousand Dollars (\$5,840,000.00), plus any accrued and unpaid interest on the Note, multiplied by a fraction, the numerator of which is the number of square feet in the Unit which the Unit Purchaser is buying and the denominator of which is the total number of square feet in all Units constructed or to be constructed pursuant to the Plans (as defined in the Construction Loan Agreement) (the "Release Price").

(2) If the purchase price for the Unit or Units is either in whole or in part a promissory note made by the Unit Purchaser to Mortgagor in whole or in part, Mortgagee shall effect its release as to such Unit or Units, provided that:

- (a) The sum of the net cash and the principal amount of the promissory note received by the Mortgagor from the Unit Purchaser is greater than or equal to the Release Price for said Unit or Units; and
- (b) If the principal amount of the promissory note received from the Unit Purchaser is less than the Release Price, Mortgagee must receive in cash the difference between the Release Price and the original principal amount of the note received from the Unit Purchaser; and
- (c) Lender receives a new promissory note and first mortgage of the Unit or Units being sold from Mortgagor on which Mortgagor shall be primarily liable, in an amount equal to the lesser of the Release Price and the amount of the promissory note received by Mortgagor from the Unit Purchaser; and
- (d) Mortgagor receives from the Unit Purchaser a wraparound mortgage of the Unit or Units sold securing payment of the promissory note received from the Unit Purchaser, expressly made subordinate and a second lien to the new promissory note and first mortgage lien on such Unit or Units delivered to Mortgagee by Mortgagor. Said promissory note and wraparound mortgage shall be on terms reasonably accepted to Mortgagee.
- (e) The Unit Purchaser shall have the right to sell on one occasion only the Unit or Units subject to the new mortgage granted to Mortgagee and the wraparound mortgage. Thereafter, any sale by a Unit Purchaser or his successors and assigns of the Unit or Units shall be subject to the terms of the due-on-sale clauses in the new mortgage granted to Mortgagee and the wraparound mortgage.

10. Liens. No lien provided for by the Statutes of Illinois, in force at any time while the lien hereof exists, in favor of any person furnishing labor or materials in the erection or repair of any building now or hereafter on the Real Estate, shall attach to said Premises, except as subject and subordinate to the lien of this instrument and any person dealing with the Premises after the recording of this instrument is hereby charged with notice of and consents to this stipulation, and with a waiver of any lien except as subject and subordinate hereto.

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11. Change in Law. In the event of the passage, after the date of this Mortgage, of any law of the State of Illinois deducting from the value of land for the purpose of taxation any lien thereon or changing in any way the laws now in force for the taxation of mortgages for State or local purposes or the manner of collection of such taxes so as to make it obligatory upon the Mortgagee to pay such tax, or if any such tax is imposed under any existing law, then the whole of the principal sum secured hereby, together with accrued interest thereon shall, at the option of the Mortgagee, after thirty (30) days notice to the Mortgagor, become due and payable, and the said Mortgagee shall have the right to foreclose immediately this Mortgage, unless said Mortgagor shall pay such tax or charge forthwith upon demand or unless adequate title insurance over any such lien is provided to Mortgagee; provided, however, that should the payment of such tax or charge result in usury, then only such portion of such tax or charge shall be paid by the Mortgagor as will not amount to an exaction of interest in excess of the highest rate permitted by law.

12. Remedies Cumulative. All rights and remedies given to the Mortgagee by the covenants, undertakings and provisions of this Mortgage are deemed to be cumulative and not in any way in derogation of the rights of the Mortgagee under the laws of the State of Illinois and the invalidity of any one or more covenants, phrases, sentences, clauses or paragraphs of this Mortgage shall not affect the remaining portions of this Mortgage, or any part hereof; and the failure on the part of the Mortgagee to exercise any option or privilege granted under the note or Mortgage shall not be deemed a waiver of such option or privilege nor estop the Mortgagee from at any time in the future exercising such option or privilege.

13. Covenants Run with Land. Every covenant and agreement, condition, promise and undertaking herein of said Mortgagor shall run with the land, is a condition upon which the loan secured was made, and is of the essence of this instrument, and breach of any thereof shall be deemed a material breach going to the substance hereof and shall extend to and be binding upon the Mortgagor and any and all persons claiming by, through or under the Mortgagor, to the same effect as if they were in every case named and expressed and all of the covenants hereof shall bind them and each of them, both jointly and severally and shall inure to the benefit of the Mortgagee, its successors and assigns.

14. Real Estate Tax and Insurance Escrow. The Mortgagor further covenants and agrees in addition to all other payments required hereunder, to deposit with the Mortgagee the equivalent of one-twelfth (1/12th) of the annual real estate tax charges levied or assessed against the Premises on the first day of each month of each year until the indebtedness herein described has been fully paid, said payments to be held by the Mortgagee without interest and to be used by the Mortgagee for the payment of any taxes which may be levied or assessed against the Premises when such tax bills are available. The amount of the monthly tax deposits shall be as estimated by the Mortgagee, and the unpaid taxes which are to be prorated shall remain on deposit with the Mortgagee. Also, on the first day of each month Mortgagor agrees to deposit a pro rata share of the necessary fire insurance premiums to renew all existing insurance policies at their expiration. So long as Mortgagor shall not be in default hereunder and shall pay all such taxes and insurance premiums when due, Mortgagee shall waive the requirement of tax and insurance deposits.

15. Assignment of Leases. Mortgagor agrees that as additional security for payment of the indebtedness secured hereby, any and all future leases or subleases made by Mortgagor or its tenants for all or any part of the Premises shall, at the option of the Mortgagee, be assigned to Mortgagee. During the term of this Mortgage, each lease of the Premises or a part thereof shall contain a provision requiring that at the election of the holder of this Mortgage, the tenant will assign any permitted sublease to such holder.

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16. Insurance. Mortgagor shall obtain, and cause any Unit Purchasers who do not pay cash for the entire purchase price or lessees of Units to obtain insurance covering the individual Units and their contents in such form, in such amounts and with such insurance companies as may be acceptable to Mortgagee.

17. Mortgagee's Access to Premises. Mortgagor further covenants and agrees that Mortgagee shall have access to and the right to inspect said Premises at all reasonable times.

18. Mortgagor's Books and Records. Mortgagor further covenants and agrees to keep and maintain complete and accurate books and records of the earnings and expenses of the Premises, and without expense to Mortgagee to deliver to Mortgagee, within ninety (90) days after the close of each fiscal year, financial statements of the operation of the Premises showing in reasonable detail the rents and profits received from and disbursements made in connection with the Premises, together with annual balance sheets and profit and loss statements, all in form and detail satisfactory to Mortgagee and prepared by a certified public accountant, and such interim balance sheets and profit and loss statements as may be required by Mortgagee. Mortgagee will be permitted to examine such books and records and all supporting vouchers and data at the office of the beneficiary of Mortgagor.

19. Eminent Domain. Mortgagor further covenants and agrees that if the Premises or any part thereof be condemned under any power of eminent domain or acquired for any public use or quasi-public use, the damages, proceeds and consideration for such acquisition, to the extent of the full amount of indebtedness upon this Mortgage and obligation secured hereby remaining unpaid, are hereby assigned by Mortgagor to Mortgagee, its successors or assigns, to be applied on account of such indebtedness.

20. Payment of Taxes. Within thirty (30) days of the due date of every installment of real estate taxes or special assessments hereafter accruing with respect to the Premises, Mortgagor shall present to Mortgagee a photographic or other duplicated copy of the receipted tax bill showing the payment of such installment, or other evidence satisfactory to the Mortgagee that the tax payment has been made.

21. Attornment and Non-Disturbance.

A. Each lease of the Premises or of any part thereof shall provide that in the event of enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the lessee thereunder will, upon request of any person succeeding to the interest of Mortgagor as a result of such enforcement, automatically become the lessee of said successor in interest, without change in the terms or other provisions of such lease, provided, however, that said successor in interest shall not be bound by any payment of rent or additional rent for more than one (1) month in advance, except prepayments in the nature of security for the performance by said lessee of its obligations under said lease. Each lease shall also provide that, upon request by said successor in interest, such lessee shall execute and deliver an instrument or instruments confirming such attornment.

B. Subject to the conditions specified in the next paragraph of this Section 21B, Mortgagee will, upon Mortgagor's request, execute non-disturbance and attornment agreements, in Mortgagee's then standard form, with lessees of the Premises, which shall provide that in the event Mortgagee or any purchaser at foreclosure shall succeed to Mortgagor's interest in the Premises, the leases of such lessees will remain in full force and effect and be binding upon Mortgagee or such purchaser and such lessees as though each were the original parties thereto.

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Mortgagee's obligation to execute such agreements shall be subject to the following conditions: (i) the Mortgagor shall request the execution of such agreement promptly after the execution of the lease to which such non-disturbance and attornment agreement will pertain, (ii) Mortgagee shall have received and approved the standard form of lease to be used in connection with the leasing of the Premises, (iii) upon each request for such an agreement Mortgagee shall receive a photocopy of the executed lease on which all changes from the standard form shall be indicated by appropriate markings, certified to be true and complete, and (iv) Mortgagee shall receive a letter, signed by Mortgagor and addressed to the lessee, to be forwarded to the lessee by Mortgagee, giving notice of the assignment of each lease provided for herein.

22. Security Agreement. Notwithstanding the intention hereinabove expressed that fixtures and equipment shall constitute a part of the Premises covered by the lien hereof, Mortgagor will, if and when requested so to do by the Mortgagee, execute and deliver as additional security for said Note a separate Security Agreement (Chattel Mortgage) and Financing Statements covering all such fixtures and equipment, which Security Agreement and Financing Statements shall constitute a valid first lien upon all such fixtures and equipment and remain such until the indebtedness under the note secured hereby and all indebtedness hereunder shall have been paid in full. Mortgagor will from time to time, on request of the Mortgagee, execute and deliver or cause to be executed and delivered, such instruments of renewal or further assurances as the Mortgagee may deem appropriate in order to preserve and maintain at all times a continuous valid and subsisting first lien upon all of such fixtures and equipment and all replacements and renewals thereof until said indebtedness shall have been fully paid. Fixtures and equipment which the lessee of a portion of mortgaged Premises has the right to remove are specifically excluded from the provisions of this clause, except to the extent that lessee's right to remove such fixtures and equipment shall be forfeited under terms of all leases assigned by the Assignment of Leases and Rents - Conditional, bearing even date herewith and given as additional security for the Note.

23. Cost of Collection. The Mortgagor promises to pay all costs, expenses and reasonable attorneys' fees incurred by the Mortgagee in collecting the debt secured hereby whether by foreclosure, suit or otherwise, in protecting or sustaining the lien of this Mortgage or in any litigation or controversy arising from or in connection with said Note or this Mortgage, together with interest thereon, from the date of payment at the Default Rate. Mortgagor agrees that any such sums and the interest thereon shall be a lien on said Premises and property and shall be secured by this Mortgage.

24. Business Loan. This Mortgage secures a business loan as set forth in Chapter 74, Par. 4(1)(c), Ill.Rev.Stat. (1979).

25. Notices. All notices hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when presented personally or sent by registered or certified mail to any party hereto at its address stated above or at such other address of which it shall have notified the party giving such notice in writing; provided, however, a copy of all notices hereunder shall be delivered to:

Pedersen & Houpt
180 North LaSalle
Suite 3400
Chicago, Illinois 60601
Attention: James K. Henegan

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and

Marks, Marks & Kaplan, Ltd.
30 North LaSalle Street
Chicago, Illinois 60602
Attention: Gerald M. Tenner.

Whenever in this Mortgage the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person or persons entitled to receive such notice.

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

27. Moratorium Laws. Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the mortgaged Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the mortgaged Premises sold as an entirety. The Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on its behalf and on behalf of each and every person, except decree or judgment creditors of the Mortgagor acquiring any interest in or title to the Premises subsequent to the date of this Mortgage.

28. Severability. Wherever possible each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Mortgage. In the event of a conflict of any of the terms and provisions of this Mortgage with the terms and provisions of any other instrument or agreement given to evidence or secure the indebtedness evidenced by the Note, the Mortgagee may at its option determine which terms and provisions shall prevail.

29. Time of Essence; Waiver. It is specifically agreed that time is of the essence of this Mortgage. The waiver of any right or any obligations secured hereby shall not at any time thereafter be held to be abandonment of such rights. Notice of the exercise of any right granted to the Mortgagee herein, or in the Note secured hereby, is not required to be given.

30. Successors and Assigns. All of the covenants herein contained of Mortgagor shall bind Mortgagor, its successors and assigns, and the benefits and advantages thereof shall inure to the benefit of the Mortgagee, its successors and assigns. Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders.

31. Trustee Exculpation. This Mortgage is executed by Mortgagor not personally but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Trustee hereby warrants that it possesses full power and authority to execute this instrument). It is expressly understood and agreed by the Mortgagee and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in the Note secured by this Mortgage

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shall be construed as creating any liability on said Trustee in its individual capacity or in the beneficiary of Trust No. 25-6499 (or in any of the partners or joint venturers of said beneficiary) personally to pay said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder or to perform any covenant, either expressed or implied herein contained, all such liability, if any, being expressly waived and that any recovery on this Mortgage and the Note secured hereby shall be solely against and out of the Premises hereby conveyed by enforcement of the provisions hereof and of said Note, but this waiver shall in no way affect the personal liability of any co-signer, endorser or guarantor of said note.

IN WITNESS WHEREOF, Mortgagor has caused these presents to be duly executed, the day and year first above written.

BANK OF RAVENSWOOD, not personally
but as Trustee aforesaid

By Martin S. Egan
Its VICE President

ATTEST:

[Signature]
Secretary

This Instrument prepared
by and return to when
recorded:

James K. Henegan
PEDERSEN & HOUP
180 North LaSalle Street
Suite 3400
Chicago, Illinois 60601
312/641-6888

607/333-HV

Permanent Tax I.D. No.: 04-02-400-003-0000

Street Address: 450 Skokie Boulevard
Northbrook, Illinois

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STATE OF ILLINOIS)
) SS
COUNTY OF C O O K

The undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that MARTIN S. EDWARDS Vice President of Bank of Ravenswood, and John R. Griffith Trust Officer Secretary of said bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, as such Vice President and Trust Officer Secretary, respectively appeared before me this day in person, and acknowledged that they signed, sealed, and delivered the said instrument as their free and voluntary act and as the act of said bank for the uses and purposes therein set forth, and that said Trust Officer Secretary then and there acknowledged that he as custodian of the corporate seal of said bank, did affix the corporate seal of said bank to said instrument as his own free and voluntary act and as the act of said bank, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 8th day of November, 1985.

Silvia Garcia
Notary Public

My Commission Expires: 5-24-86

COOK COUNTY, ILLINOIS
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EXHIBIT A

REAL PROPERTY

Parcel A:

04-02-400-003

All that part of the 100 foot right-of-way of the former Chicago Northern Railway Company (now the Chicago and North Western Railway Company) in Section 2, Township 42 North, Range 12 East of the Third Principal Meridian, bounded and described as follows:

Beginning at the point of intersection of the South line of said Section 2 with the Northeasterly Line of the 100 foot right-of-way of the former Chicago Northern Railway Company (now the Chicago and North Western Railway Company); thence Northwesterly along the Northeasterly line of said 100 foot right-of-way, a distance of 3200.00 feet; thence Southwesterly along a line at right angles to the last described course, a distance of 42.26 feet to a point 50 feet Northeasterly, as measured radially, from the center line between the two main tracks of the former Des Plaines Valley Railway Company (now the Chicago and North Western Railway Company) as now located and established; thence Southeasterly along a line parallel with the center line between said two main tracks, a distance of 435.90 feet to the Southwesterly line of said 100 foot right-of-way; thence Southeasterly along the Southwesterly line of said 100 foot right-of-way, a distance of 2718.24 feet to the South line of said Section 2; thence East along the South line of said Section 2, a distance of 111.78 feet to the point of beginning, all in Cook County, Illinois.

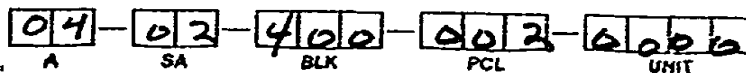
Parcel B:

That part of the Northwest 1/4 of the Southeast 1/4 of Section 2, Township 42 North, Range 12 East of the Third Principal Meridian, bounded and described as follows:

Beginning at a point on the South line of said Northwest 1/4 of the Southeast 1/4 of Section 2, a distance of 50 feet Southwesterly, as measured at right angles from the center line of the Chicago and Northwest Railroad Company's Mayfair to Valley Line, as said center line was originally located and established over and across said Section 2; thence Northwesterly parallel with said center line, a distance of 1128 feet; thence Southwesterly at right angles, a distance of 20 feet, more or less, to a point distant 50 feet Northeasterly as measured at right angles from the center line between the 2 main tracks of said railway company's Proviso to Valley Line (formerly the Des Plaines Valley Railway Company) as said center line is now located and established over and across said Section 2; thence Southerly parallel with said center line between main tracks, a distance of 1025 feet, more or less, to said South line of the Northwest 1/4 of the Southeast 1/4 of Section 2; thence East along said South line of the Northwest 1/4 of the Southeast 1/4, a distance of 350 feet, more or less, to the point of beginning, all in Cook County, Illinois.

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PROPERTY INDEX NUMBERS



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