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JUNIOR MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS JUNIOR MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (hereinafter called the "Mortgage") is made as of this 4th day of December, 1985, between Living-Learning Associates, an Illinois-Not-For-Profit, 367 N. Karlov, Chicago

(hereinafter called the "Borrower"), and the CITY OF CHICAGO, by and through its Department of Housing having its principal office at 318 South Michigan, Chicago, Illinois 60604 (hereinafter called the "Lender");

WITNESSETH:

WHEREAS, the Borrower has executed and delivered to the Lender a Note in the principal amount of six hundred forty two thousand five hundred dollars payable to Lender and of even date herewith (hereinafter the "Note"); and (\$642,500.00)

WHEREAS, the Lender is desirous of securing the payment of the Note together with interest thereon in accordance with the terms of the Note, and any additional indebtedness accruing to the Lender on account of any future payments, advances or expenditures made by the Lender pursuant to the Note or this Mortgage;

NOW, THEREFORE, to secure the performance and observance by the Borrower of all the terms, covenants and conditions in the Note and in this Mortgage, and in order to charge the properties, interests and rights hereinafter described with such consideration, the receipt and sufficiency whereof is hereby acknowledged, the Borrower has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto the Lender and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as the "Mortgage Property"):

(A) All those certain tracts, pieces or parcels of land and the easement, if any, more particularly described in Exhibit "A" attached hereto and made a part hereof (hereinafter called the "Land");

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(B) All structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by the Borrower, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing (hereinafter called the "Improved Land");

(C) The rents and issues of the Land and Improved Land from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law and in equity, of the Borrower, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto the Lender, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, the Borrower hereby further grants unto the Lender, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above described property, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) payment of the indebtedness secured hereby, and (b) performance of each and every of the covenants, conditions and agreements contained in this Mortgage, in the Note, in the Loan Commitment of Lender to Borrower dated December 14, 19 85 and in any other agreement, document or instrument to which reference is expressly made in this Mortgage or which secures the Note.

AND the Borrower covenants and agrees with the Lender that:

ARTICLE I

1.01 Taxes and Assessments

(a) The Borrower will pay when due all general taxes and assessments, special assessments, water charges and all of the charges against the premises and shall, upon

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written request, furnish to Lender receipts evidencing ^{8 5 3 1 1 2 5} payment thereof, provided that nothing contained herein shall restrict Borrower's right to contest such taxes, assessment or charges.

(b) The Borrower will not suffer (unless bonded over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property.

1.02 Insurance

The Borrower will procure for, deliver to and maintain for the benefit of the Lender during the term of this Mortgage, a policy or policies insuring the Mortgaged Property against fire, lightning, extended coverage, vandalism and malicious mischief and such other insurable perils in commercially reasonable amounts. The policy shall contain a Lender's loss payable endorsement and shall provide for at least (30) days notice to Lender prior to the expiration date of each such policy.

1.03 Care of the Property

(a) The Borrower will preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. The Borrower will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, the Borrower will immediately give written notice of the same to the Lender.

(c) The Lender or its representatives has the right, subject to the rights of tenants, to inspect the Mortgaged Property at all reasonable times upon twenty-four (24) hours prior written notice to Borrower, and access thereto shall be permitted for that purpose.

(d) The Borrower will promptly comply, and cause the Mortgaged Property and the occupants or users thereof to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the

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Mortgaged Property or any part thereof or the use or occupancy thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property, or any part thereof or the use or occupancy thereof.

(c) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, the Borrower will promptly restore the Mortgaged Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Borrower for that purpose.

1.04 Subordination

The Lender, for itself and for its successors and assigns, covenants and agrees that all of its rights and powers under this Mortgage are subordinate and subject to the rights of Harold Trust and Savings Bank, 111 West Monroe,
Chicago, Illinois 60690 ("Senior Lender"), under that certain mortgage dated Dec. 4, 1985, recorded Dec. 4, 1985 ("the "Senior Mortgage") in the office of the Cook County Recorder of Deeds, City of Chicago, County of Cook, Illinois, securing, \$ 294,209.00 to be used as a First Mortgage Loan, (the "Senior Loan") and under that certain Construction Rehabilitation Loan Agreement, dated as of Dec. 4, 1985.

This Mortgage is expressly made subject and subordinate to the lien and provisions of the Senior Mortgage, any Assignment of Leases and Financing Statements given as security to the Senior Lender, any renewals or extensions thereof, and to any and all advances, in whatever amounts and whenever made, with interest thereon, and to any expenses, charges and fees incurred thereby, including any and all such advances, interest, expenses, charges and fees which may increase the indebtedness secured by the Senior Mortgage above the original principal amount thereof.

The holder of the note secured by this Mortgage shall be obligated to give to Senior Lender written notice of any default under this Mortgage.

The holder of this Mortgage, its successors and assigns, or any other legal holder of this Mortgage, shall agree to assign and release to the Senior Lender, its successors and assigns or any other legal holder of the Senior Mortgage:

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- (a) all of its right, title, and interest or claims, if any, in and to the proceeds of all policies of the insurance covering the property for application upon the indebtedness or other disposition thereof in accordance with the provisions of this Senior Mortgage, and
- (b) all of its right, title, and interest or claims, if any, in and to all awards or other compensation made for any taking of any part of the Property to be applied upon the Indebtedness secured by the Senior Mortgage or other disposition thereof in accordance with the provisions of the Senior Mortgage.

The holder of this Mortgage agrees to execute, acknowledge and deliver to the Senior Lender such instrument of subordination as may be required in order to evidence the foregoing.

So long as the Indebtedness secured by the Senior Mortgage shall remain unpaid no interest, principal or principal and interest payments shall be payable in connection with the Indebtedness secured by this Mortgage until the Indebtedness secured by the Senior Mortgage has been fully repaid.

The Lender agrees that as mortgagee it is precluded from foreclosing in the event of any default or becoming mortgagee-in-possession or making application for appointment of receiver so long as the Senior Loan is outstanding. The lender's only remedy in such event is to sue the Borrower for damages.

1.25 Assignment of Rents

Notwithstanding anything hereinbefore to the contrary, it is mutually agreed between Borrower and Lender that, so long as there shall exist no default by Borrower in the payment of the Note or in the performance of Borrower's obligations hereunder, Borrower shall have the right to collect all rents, security deposits, income and profits from the Mortgaged Property and to retain, use and enjoy the same.

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2.01 Events of Default

The terms "Event of Default" or "Events of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

(a) Failure by the Borrower to duly observe or perform any material terms, covenant, condition, or agreement of this Mortgage, the Note, or Construction Loan Agreement after the expiration of all Cure Periods (as hereinafter defined); or

(b) The filing by the Borrower or any beneficiary of Borrower ("Beneficiary") of a voluntary petition in bankruptcy or the Borrower's or any Beneficiary's adjudication as a bankrupt or insolvent or the filing by the Borrower or any Beneficiary of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal state or other law or regulation relating to bankruptcy, insolvency or other relief for debtors, or the Borrower's or any Beneficiary's seeking or consenting to or acquiescing in the appointment of any trustee, receiver or liquidator of itself or any portion of its assets or of all or any part of the Mortgaged Property or of any or all of the rents, issues, profits or revenues thereof, or the making of any general assignment for the benefit of creditors, or the admission in writing of its inability to pay its debts generally as they become due; or

(c) The entry by a court of competent jurisdiction of any order, judgment or decree approving a petition filed against the Borrower or any Beneficiary seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other similar relief for debtors, which order, judgment or decree remains unvacated or unstayed for any aggregate of sixty (60) days from the date of entry thereof, or the appointment of any trustee, receiver or liquidator of the Borrower or any Beneficiary or of all or any part of the Mortgaged Property or of any or all of the rents, issues, profits or revenues thereof without its consent or acquiescence, which appointment shall remain unvacated or unstayed for an aggregate of sixty (60) days.

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(d) A default continuing beyond all applicable cure periods under the Senior Loan and permitting foreclosure thereunder.

(e) The sale, partial sale, refinancing, or syndication or other disposition of the Mortgaged Property or any portion thereof, except as expressly permitted under the aforementioned Promissory Note.

(f) The failure to pay when due and owing any sums due to the Lender pursuant to the Promissory Note.

2.02 Acceleration of Maturity

(a) If a monetary Event of Default shall have occurred under this Mortgage or the Note, and should continue for ten (10) days, the entire indebtedness secured hereby shall, at Lender's sole option, become immediately due and payable without notice or demand.

(b) If a non-monetary Event of Default shall have occurred under this Mortgage, or the Note, Lender shall send notice thereof to Borrower, and if such default is not cured within sixty (60) days thereafter the entire indebtedness secured hereby shall immediately become due and payable without notice or demand; provided, however, that in the event such default cannot reasonably be cured within such sixty (60) day period and if Borrower has commenced efforts to cure, then the time to cure shall be extended so long as Borrower diligently continues to cure such default (hereinafter referred to as the "Cure Period").

2.03 Lender's Right to Enter and Take Possession, Manage and Apply Revenues

(a) If an Event of Default shall have occurred and continue after notice and expiration of the Cure Period, the Borrower, upon demand of the Lender, shall forthwith surrender to the Lender the actual possession, and if and to the extent permitted by law, the Lender itself, or by such officers or agents as it may appoint, may enter and take possession, of all or any part of the Mortgaged Property, and may exclude the Borrower and its agents and employees wholly therefrom, and may have joint access with the Borrower to the books, papers and accounts of the Borrower.

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(b) If the Borrower shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after such demand by the Lender after expiration of the Cure Period, the Lender may obtain a judgment or decree conferring on the Lender the right to immediate possession or requiring the delivery of immediate possession of all or part of such Mortgaged Property to the Lender.

(c) Upon every such entering upon or taking possession of, the Lender may hold, store, use, manage and control the Mortgaged Property and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of the Borrower and the Beneficiary to the same extent as the Borrower or the Beneficiary could in their own names or otherwise with respect to the same (except that Lender shall not be entitled to operate the business of Beneficiary); and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to the Lender, all as the Lender from time to time may reasonably determine to be to its best advantage. The Lender may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable (aa) all expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacement, additions, betterments, improvements and purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other similar charges as the Lender may determine to pay; (ee) other proper charges upon the Mortgaged Property or any part thereof; and (ff) the reasonable compensation expenses and disbursements of the attorneys and agents of the Lender, shall apply the remainder of the monies and proceeds so received by the Lender, first to payment of accrued interest; and second to the payment of principal. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts (including, without limitation, the entire outstanding principal balance under the Note) shall be paid to Borrower.

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(d) The Lender shall have no liability to Borrower or Beneficiary for any loss, damage, injury, cost or expense resulting from any action or omission by it or its representatives which was taken or omitted in good faith in implementing this section.

2.04 Receiver

If an Event of Default shall have occurred after the Cure Period has expired and be continuing, the Lender, upon application to a court of competent jurisdiction, shall be entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall have all of the rights and powers to the fullest extent permitted by law.

2.05 Purchase by the Lender

Upon any foreclosure sale, the Lender may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part of the indebtedness secured hereby as a credit to the purchase price.

2.06 Remedies Cumulative

No right, power or remedy conferred upon or reserved to the Lender by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

2.07 Waiver

No delay or omission of the Lender or of any holder of the Note to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Mortgage to the Lender may be exercised from time to time as often as may be deemed expedient by the Lender. No consent or waiver, expressed or implied, by the Lender to or of any breach or default by the Borrower in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the

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same or any other obligations of the Borrower hereunder. Failure on the part of the Lender to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by the Borrower.

ARTICLE III

3.01 Successors and Assigns

This Mortgage shall inure to the benefit of and be binding upon the Borrower and the Lender and their respective heirs, executors, legal representatives, successors and assigns. Whenever a reference is made in this Mortgage to the Borrower or to the Lender, such reference shall be deemed to include a reference to heirs, executors, legal representatives, successors and assigns of the Borrower or Lender.

3.02 Terminology

All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other gender; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit or amplify the provisions of this Mortgage itself, and all references herein to Articles, Sections or Paragraphs shall refer to the corresponding Articles, Sections or Paragraphs of this Mortgage, unless specific reference is made to such Articles, Sections or Paragraphs of another document or instrument.

3.03 Severability

If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

3.04 Applicable Law

This Mortgage shall be interpreted, construed and enforced under the laws of the State of Illinois.

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3.05 Security Agreement

This Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. The Lender shall have all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded the Lender by this Mortgage or any other agreement.

3.06 Modification

No change, amendment, modification, cancellation or discharge hereof, or any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

3.07 No Merger

It being the desire and intention of the parties hereto that the Mortgage and the lien thereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should the Lender acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by the Lender as evidenced by an appropriate document duly recorded, this Mortgage and the lien thereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

3.08 Release

Lender shall prepare and execute a release of the Mortgage and such other documents as may reasonably be necessary, and in a form sufficient to release the lien of this Mortgage upon payment in full of the Note and all interests accrued and owing thereon.

3.09 Exculpation Clause

Notwithstanding any other provisions herein to its contrary, the Lender ~~of this~~ shall look solely and only to the Property for the payment and performance and observance of any amount, obligation or provision to be paid, performed or observed under

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Mortgage

this Note, and neither the Borrower nor any disclosed or undisclosed principal for whom the Borrower may be acting, nor any of their respective ^{partners,} heirs, administrators, executors, personal representatives, employees, officers, directors, shareholders, successors and assigns, shall have any personal liability or other personal obligation or any liability for a deficiency for or with respect to any payment, performance or observance of any amount, obligation, liability or provisions to be paid, performed or observed under this Note and the Lender (and any other holder by its acceptance of this Note) agrees not to seek or obtain a deficiency, money judgment or other judgment against the Borrower or against any disclosed or undisclosed principal for whom the Borrower may be acting or against any of their respective heirs, administrators, executors, personal representatives, employees, officers, directors, shareholders, successors or assigns. Nothing herein contained, however, shall be construed (i) to impair the security offered by the Mortgage, or the right and remedy of the Lender to exercise any power of sale contained in the Mortgage, or foreclose the Mortgage, to recover possession of the Property or to impair any other right or remedy under the Mortgage or other Loan Documents, or (ii) to relieve or limit the obligation of Borrower to pay Lender any and all sums received by Borrower in relation to the Property or the operations conducted thereon, including, without limitation, any and all condemnation awards or payments in lieu of condemnation, rents, security deposits, occupancy charges or fees, insurance proceeds and general real estate tax and special assessment refunds, it being agreed and understood that the Borrower shall be and remain personally liable for the payment to Lender of all such sums.

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IN WITNESS WHEREOF, the undersigned Borrower has caused this Junior Mortgage executed as of the day and year first above written.

Living-Learning Associates
an Illinois limited partnership

By: New Life Management, Inc.
an Illinois Corporation

BY: Mayhelm

ATTEST: Kate Lane

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STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that the above named Officer of the Living - Learning Associates, New Life Mortgage, Inc. General Partner personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as an Officer of the Bank and as the own free and voluntary act of the corporation for the uses and purposes therein set forth:

GIVEN under my hand and Notarial Seal this 4th day of December, 1985.

Randy A. Kay
Notary Public

My commission Expires 2/6/89

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11/11/2011 10:11:11 AM

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EXHIBIT "A"

LEGAL DESCRIPTION

Lots 36 to 41, both inclusive, in Block 36 in West Chicago Land Company's Subdivision of the South 1/2 of Section 10, Township 39 North, Range 13, East of the Third Principal Meridian in Cook County, Illinois

*Permanent index # 16-10-422-017 (36-40)
16-10-422-018 (41)
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And commonly know as 4320 West Madison
Address

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*prep'd by: Corporation Counsel Office
City Hall Room
Chicago, Ill
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