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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE, made this 30th day of April, 1986, by and between LaSALLE NATIONAL BANK, a national banking association, Trustee under a Trust Agreement, dated April 30, 1984 and known as Trust Number 107887 of 135 S. LaSalle, Chicago, Illinois 60604 hereinafter called the Mortgagor, and THE OHIO NATIONAL LIFE INSURANCE COMPANY, an Ohio corporation of 237 William H. Taft at Highland, Cincinnati, Ohio 45219, hereinafter called the Mortgagee.

WITNESSETH: that in consideration of the sum of One Million One Hundred Twenty-Five Thousand Dollars (\$1,125,000) paid by Mortgagee to Mortgagor, the receipt of which sum is hereby acknowledged, the Mortgagor does by these presents grant, bargain, sell, convey, mortgage and warrant unto the Mortgagee, its successors and assigns, in fee simple, forever, certain property situated in the Village of Elk Grove, County of Cook, State of Illinois and described on Exhibit "A" attached hereto and incorporated herein.

TOGETHER with all and singular the easements, rights-of-way, licenses, privileges, hereditaments and appurtenances thereunto belonging, and all the rents, issues and profits therefrom; and, also, all the estate, right, title, and interest of Mortgagor, either at law or in equity, of, in and to the premises herein described, and every part thereof;

TOGETHER with all right, title and interest, if any, of Mortgagor, in and to the land lying within any street or roadway adjoining the above described real estate; and all right, title and interest of the Mortgagor in any vacated or hereafter vacated streets or alleys adjoining the above described real property; and all right, title and interest, if any, of Mortgagor in and to any strips and gores adjoining the above described real estate;

TOGETHER with all buildings, structures, and improvements now or hereafter erected thereon; and all fixtures, machinery, apparatus, equipment, appliances, and articles of personal property of every kind and nature whatsoever, now or hereafter located in or upon or affixed to said premises, or any part thereof, which are used or usable in connection with any present or future maintenance and operation of said premises including, but without limitation of the generality of the foregoing, all heating, lighting, incinerating, refrigerating, ventilating, airconditioning, air-cooling, lifting, fire extinguishing, plumbing, cleaning, power equipment and apparatus; all gas, water, and electrical equipment, and all elevators, escalators, switchboards, engines, motors, tanks, pumps, screens, storm doors, storm windows, shades, awnings, conduits, ducts and compressors; it being understood and agreed that all such fixtures, machinery, apparatus,

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equipment, and articles of personal property are a portion of the security for the indebtedness hereby secured, whether in single units or centrally controlled, and whether physically attached to said real estate or not, and are hereafter collectively referred to for convenience as the "Real Estate Fixtures".

All of the foregoing interests, including said real estate and the matters described in the preceding three paragraphs, are sometimes collectively referred to herein as the "Mortgaged Property".

TO HAVE AND TO HOLD the above mortgaged and granted Mortgaged Property with the privileges and appurtenances thereunto belonging, and all rents, issues and profits therefrom, unto Trustee, its successors and assigns, forever, for the uses and purposes herein expressed. Mortgagor is well seized of the Mortgaged Property in fee simple and has good right and full power to grant, bargain, sell, convey, mortgage and warrant the same in the manner and form written; and that the same are free from all liens and encumbrances whatsoever, excepting only the lien of general taxes not due and payable; and that Mortgagor does warrant, and will defend the Mortgaged Property with the privileges and appurtenances thereunto belonging to Mortgagee, its successors and assigns, forever, against all lawful claims and demands whatsoever.

THIS MORTGAGE IS GIVEN TO SECURE: (a) Payment of the indebtedness evidenced by the certain promissory note of even date herewith an unexecuted copy of which is attached hereto as Exhibit "B", made and delivered by Mortgagor to Mortgagee, in the principal sum of One Million One Hundred Twenty-Five Thousand Dollars (\$1,125,000) payable with interest at the rate(s) and in the manner provided therein; the balance of said principal sum and interest thereon, if not sooner paid being due and payable not later than May 1, 1998; (b) Payment by Mortgagor to Mortgagee as herein provided, of all sums expended or advanced by Mortgagee pursuant to any term or provision of this mortgage; and (c) Performance of each and every of the covenants, conditions and agreements contained in this Mortgage and in the Note secured hereby and in any other instruments securing the indebtedness.

AND, MORTGAGOR HEREBY COVENANTS AND AGREES that:

1. Payment of Note.

Mortgagor will pay the principal of and interest on the indebtedness evidenced by the said Note, at the times and in the manner therein provided.

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2. Taxes.

Mortgagor will pay all taxes, assessments, and other similar charges levied upon the Mortgaged Property before the same become delinquent, and will promptly deliver to Mortgagee receipts of the proper officers, therefore. In default thereof, Mortgagee may pay such taxes, assessments, and other similar charges, including any penalties or interest thereon (of which payment, amount and validity thereof, the receipt of the proper officer shall be conclusive evidence) and any amount so paid by Mortgagee shall become immediately due and payable by Mortgagor with interest at the annual rate of Two percent (2.0%) in excess of the rate of interest payable on the Note secured hereby.

3. Tax and Insurance Escrow.

Mortgagor will pay to Mortgagee monthly, in addition to each monthly payment required hereunder, or under the evidence of the debt secured hereby, a sum equivalent to one-twelfth of the amount estimated by Mortgagee to be sufficient to enable Mortgagee to pay at least thirty (30) days before they become due all taxes, assessments, and other similar charges levied against the Mortgaged Property and all insurance premiums on any policy or policies of insurance required hereunder. Such funds shall be held in trust without interest by Mortgagee for the benefit of Mortgagor and shall be applied for the purposes and in the manner described herein. Upon demand by Mortgagee, Mortgagor will deliver and pay over to Mortgagee such additional sums as are necessary to make up any deficiency in the amount necessary to enable Mortgagee to fully pay any of the items hereinabove mentioned. In the event of any default by Mortgagor in the performance of any of the terms, covenants, or conditions herein contained, or in the evidence of the debt secured hereby, Mortgagee may apply against the indebtedness secured hereby, in such manner as Mortgagee may determine, any funds of Mortgagor then held by Mortgagee under this paragraph.

4. Mortgage Tax.

In the event of the passage after the date of this mortgage of any statute or ordinance deducting from the value of real property for purposes of taxation, any lien thereon, or changing in any way the laws now in force for the taxation of mortgages or debts secured thereby, for state or local purposes, or the manner of

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the collection of any such taxes, so as to affect this mortgage or the interest of Mortgagee hereunder, the whole of the principal sum secured by this mortgage, with interest and charges, if any, thereon, at the option of Mortgagee, shall become immediately due, payable and collectible without notice or demand.

5. Insurance and Damage.

5.1. Mortgagor will procure, deliver to and maintain for the benefit of Mortgagee during the continuance of this mortgage and until the same is fully satisfied and released, a policy or policies of insurance insuring the Mortgaged Property including the Real Estate Fixtures and all the buildings and improvements now existing or hereafter erected on the premises described on Exhibit "A" attached hereto and incorporated herein against loss or damage from all risks. All policies of insurance required hereunder shall be in such form, companies, and amounts as may be acceptable to Mortgagee, and shall contain a mortgagee clause acceptable to Mortgagee, with loss payable to Mortgagee but in all events, shall contain rental value insurance equal to not less than six (6) months rental value of the Mortgaged Property. Mortgagor will promptly pay when due any premiums on any policy or policies of insurance required hereunder, and will deliver to Mortgagee renewals of such policy or policies at least thirty (30) days prior to the expiration date(s) thereof; the said policies and renewals to be marked "paid" by the issuing company or agent. Upon Mortgagor's failure to comply with the requirements of this paragraph, Mortgagee may, in its discretion, effect any insurance required hereunder and pay the premiums due therefor, and any amounts so paid by Mortgagee shall become immediately due and payable by Mortgagor with interest at the annual rate of Two Percent (2.0%) in excess of the rate of interest payable on the Note received hereby.

5.2. In the event of any loss or damage to the Mortgaged Property, Mortgagor will give immediate notice thereof to Mortgagee, and Mortgagee may thereupon make proof of such loss or damage, if the same is not promptly made by Mortgagor. All proceeds of insurance, in the event of such loss or damage, shall be payable to Mortgagee, and any affected insurance company is authorized and directed to

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make payment thereof directly to Mortgagee. Mortgagee is authorized and empowered to settle, adjust, or compromise, in good faith and for the mutual benefit of Mortgagor and Mortgagee, any claims for loss, damage, or destruction under any policy or policies of insurance. Except as provided in Section 5.3 below, such insurance proceeds may, at the sole discretion of Mortgagee, be applied to the restoration, repair, replacement, or rebuilding of the Mortgaged Property, or to and in reduction of any indebtedness secured by this Mortgage, provided, however, any of said proceeds remaining after payment in full of the indebtedness secured hereby shall be paid to the Mortgagor. The delivery to Mortgagee of any policy or policies of insurance hereunder, or renewals thereof, shall constitute an assignment to Mortgagee of all unearned premiums thereon as further security for the payment of the indebtedness secured hereby. In the event of foreclosure of this Mortgage or other transfer of title to the property covered hereby in extinguishment of the indebtedness secured hereby, all right, title and interest of Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

- 5.3 Notwithstanding any provision in Section 5.1 or 5.2 to the contrary, the Mortgagee shall make the first Twenty-Five Thousand Dollars (\$25,000) of proceeds received under any such insurance policies as therein described available for the restoration of the improvements so damaged, subject to the following conditions: (a) that Mortgagor is not in default under any of the terms, covenants and conditions hereof; (b) that Mortgagee shall first be given satisfactory proof that such improvements have been fully restored or that by the expenditure of such money will be fully restored, free and clear of all liens, except as to the lien of this Mortgage; (c) that all damage and destruction to the Mortgaged Property can be repaired or restored within one hundred eighty (180) days after the occurrence of such damage or destruction as evidenced by a written report or reports acceptable to Mortgagee prepared by such independent architects, engineers, or consultants as shall first be unreasonably withheld; (d) that in the event such proceeds shall be insufficient to restore or rebuild the said improvements, as evidenced by written proposals and contracts of the contractors

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proposing to do such work, Mortgagor shall deposit promptly with Mortgagee (and before such restoration or repair) funds which, together with the insurance proceeds, shall be sufficient, in the judgment of Mortgagee, to restore and provide to Mortgagee such other assurance that Mortgagee may deem necessary to assure that such improvements will be restored free and clear of all liens, except as to the lien of this mortgage; and (e) that insurance proceeds in excess of Twenty-Five Thousand Dollars (\$25,000) may be applied by Mortgagee to such restoration and rebuilding or upon the indebtedness secured hereby with no prepayment penalty as Mortgagee may elect, in accordance with Section 5.2 hereof.

6. Maintenance, Repair, and Waste.

6.1. Mortgagor will maintain the Mortgaged Property in good condition and repair and will not commit or suffer any waste thereof, reasonable wear and tear excepted. Mortgagor will comply with, or cause to be complied with, all statutes, ordinances, regulations, or requirements of any governmental authority relating to the Mortgaged Property and will promptly repair, restore, replace, or rebuild any part of the Mortgaged Property now or hereafter subject to the lien of this mortgage which may be damaged or destroyed by any casualty or as the result of any condemnation or eminent domain proceeding as hereinafter described, provided, however, that in the event Mortgagee directs that all or a portion of the insurance proceeds shall be paid to Mortgagee to reduce the indebtedness secured hereby, mortgage obligations as set forth in this Section 6.1 shall be abated by the amount of the insurance proceeds paid to Mortgagee. No part of the Mortgaged Property including any buildings, structures, or improvements now or hereafter existing, shall be removed, demolished, or substantially or structurally altered in any respect which affects the structural integrity of said buildings, structures, or improvements without the prior written consent of Mortgagee. Mortgagee, and any person authorized by Mortgagee, shall have the right to enter upon and inspect the premises at all reasonable times.

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6.2. Mortgagor will pay promptly when due all charges for utilities or services, including but not limited to, electricity, gas and water, and upon Mortgagor's failure to make such payments, Mortgagee may, in its discretion, pay same, and any amounts so paid by Mortgagee shall become immediately due and payable by Mortgagor with interest at the annual rate of Two Percent (2.0%) in excess of the rate of interest payable on the Note secured hereby.

6.3. The failure of Mortgagor to pay when due, as required by the terms of Sections 2 and 5.1 hereof, any taxes assessed against said property or any insurance premium or premiums upon policies covering the Mortgaged Property or any part thereof shall constitute waste and shall entitle the said Mortgagee to the appointment of a receiver of the Mortgaged Property or any part thereof for the purpose of preventing such waste, which receiver, subject to the order of the court having proper jurisdiction, may collect the rents and income from the Mortgaged Property and exercise such control over said Mortgaged Property as such court shall deem proper.

7. Condemnation.

If all or any part of the Mortgaged Property is damaged, taken, or acquired, either temporarily or permanently, in any condemnation proceeding or by exercise of the right of eminent domain, or by the alteration of the grade of any street affecting the Mortgaged Property, the amount of any award or other payment for such taking or damages made in consideration thereof, to the extent of the full amount of the then remaining unpaid indebtedness secured thereby, is hereby assigned to Mortgagee, who is empowered to collect and receive the same and to give proper receipt therefor in the name of Mortgagor, and the same shall be paid forthwith to Mortgagee. Any award or payment so received by Mortgagee may, at the option of Mortgagee, be retained and applied, in whole or in part, to the indebtedness secured hereby (whether or not then due and payable), in such manner as Mortgagee may determine, or released, in whole or in part, to Mortgagor for the purpose of altering, restoring, or rebuilding any part of the Mortgaged Property which may have been altered, damaged, or destroyed as the result of such taking, alteration, or proceeding, but Mortgagee shall not be obligated to see to the application of any amounts so released.

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8. Attorney's Fees.

If Mortgagee shall incur or expend any sums, including reasonable attorney's fees, whether in connection with any action or proceeding or not, to sustain the lien of this mortgage or its priority, or to protect or enforce any of Mortgagee's rights hereunder, or to recover any indebtedness hereby secured, all such sums shall become immediately due and payable by Mortgagor with interest thereon at the highest lawful rate. All such sums shall be secured by this mortgage and be a lien on the Mortgaged Property prior to any right, title, interest, or claim, in, to, or upon the Mortgaged Property attaching or accruing subsequent to the lien of this mortgage.

9. Rents and Income.

Mortgagor will not assign, in whole or in part, the rents, income, or profits arising from the Mortgaged Property without the prior written consent of Mortgagee, or in any other manner impair the security of this mortgage for the payment of the indebtedness secured hereby.

10. Leases.

10.1 Mortgagor will observe and perform all covenants, conditions, and agreements contained in any lease or leases now or hereafter affecting the Mortgaged Property, or any portion thereof, on the part of Mortgagor to be observed and performed. If Mortgagor shall default in the performance of any of the terms, covenants, conditions, or obligations imposed upon Mortgagor by any such lease or leases, which default would give the lessee or lessees the right to terminate or cancel the said lease or leases or make monetary advances and offset the same against future rentals, and if such default is not cured within ten (10) days of written notice to Mortgagor from Mortgagee specifying such default, then, at the option of Mortgagee, the whole of the indebtedness secured by this mortgage, including all advances and payments by Mortgagee hereunder, shall become immediately due, payable, and collectible by foreclosure, or otherwise, without notice or demand.

10.2 Mortgagor will not amend, cancel, abridge, terminate, or otherwise modify any existing or future lease of the Mortgaged Property, or any part there

of; or enter into any new lease, sublease, renewals, or extension or accept any prepayment of rent or installments of rent for more than one month in advance; without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed.

10.3 Mortgagor, upon request, from time to time, will furnish to Mortgagee a statement in such reasonable detail as Mortgagee may request, certified by Mortgagor, of all leases relating to the Mortgaged Property; and, on demand, Mortgagor will furnish to Mortgagee executed counterparts of any and all such leases.

11. Financial Records

With respect to the Mortgaged Property and the operations thereof, Mortgagor will keep or cause to be kept proper books of record and account in accordance with generally accepted accounting principles consistently applied. Mortgagee shall have the right to examine the said books of record and account at such reasonable times and intervals as Mortgagee may elect. Mortgagor will furnish to the Mortgagee within ninety (90) days after the end of each fiscal year of the Mortgaged Property a statement of income and expenses for the Mortgaged Property for such fiscal year, prepared by a certified public accountant acceptable to Mortgagee or certified as to accuracy by a general partner of Mortgagor. Mortgagor shall also furnish to Mortgagee within ninety (90) days after the end of each fiscal year, audited financial statements of Permag Corporation and Dexter Corporation.

12. Non Waiver.

In the event that Mortgagee (a) grants any extension of time for forbearance with respect to the payment of any indebtedness secured by this mortgage; (b) takes other or additional security for the payment thereof; (c) waives or fails to exercise any right granted herein or under the note secured hereby; (d) grants any release, with or without consideration, of the whole or any part of the security held for the payment of the debt secured hereby; (e) amends or modifies in any respect with the consent of Mortgagor any of the terms and provisions hereof or of the note secured hereby; then and in any such event, such act or omission to act shall not

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release Mortgagor, or any co-makers, sureties, or guarantors of this mortgage or of the note secured hereby, under any covenant of this mortgage or of said note, nor preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in the event of any other default then made or any subsequent default and shall not in any wise impair or affect the lien or priority of this mortgage.

13. Use of Mortgaged Property.

Mortgagor will not make, suffer, or permit, without the written consent of the Mortgagee first had and obtained, (a) any use of the Mortgaged Property for any purpose other than that for which the same is now used or intended to be used; (b) any purchase or conditional sale, lease or agreement under which title is reserved in the vendor of any Real Estate Fixtures as defined herein. Mortgagor will execute and deliver, from time to time, such further instruments as may be requested by Mortgagee to confirm the lien of this mortgage on any Real Estate Fixtures as defined herein.

14. Receiver.

Mortgagor, in the event of default in the performance of any of the terms and conditions of said Note described above, or any instrument evidencing or securing said Note, including this Mortgage, hereby consents to the appointment of a receiver by a court of competent jurisdiction, to enter and take possession of the Mortgaged Property and to manage and operate the same, to collect all or any rents accruing therefrom and from said leases, to let or relet said property or any part thereof, to cancel and modify leases, evict tenants, bring or defend any suits in connection with the possession of said property in its own name or Mortgagor's name, make repairs as the said Receiver deems appropriate, and perform such other acts in connection with the management and operation of said premises as the Receiver, in its discretion, may deem proper.

15. Security Agreement.

This Mortgage constitutes a security agreement under the Uniform Commercial Code and creates a security interest in the fixtures and personal property included in the Mortgaged Property. Mortgagor shall execute, deliver, file and re-file any financing statements or other security agreements Mortgagee may require from time to

time to confirm the lien of this Mortgage with respect to such property. Without limiting the foregoing, Mortgagor hereby irrevocably appoints Mortgagee attorney in fact for Mortgagor to execute, deliver and file such instruments for and on behalf of Mortgagor.

16. Waiver of Notice.

In the event that Mortgagee elects to foreclose this Mortgage by advertising and selling the mortgaged property or any part thereof pursuant to applicable Illinois statutes, Mortgagor hereby expressly waives (i) any right which it may have, or claim of right, to prior notice of such foreclosure and sale other than notice by publication and posting, as provided in said statutes, and (ii) any right it may have, or claim of right, to a judicial or other hearing prior to such foreclosure and sale for the purpose of objecting thereto.

17. Due on Sale or Encumbrance.

17.1 In making the loan evidenced by the Note secured by this Mortgage, Mortgagee, for itself and its successors and assigns, is relying upon the integrity of Mortgagor, and the continued ownership, management, and operation of the Mortgaged Property by Mortgagor and Two-Phylss Realty Company, a California general partnership ("Two-Phylss"). If (a) the Mortgagor shall voluntarily or involuntarily sell, transfer, convey, assign, further encumber, or permit to be further encumbered, or in any manner dispose of or permit the disposition of the Mortgaged Property, or any part thereof, or an interest therein, or (b) if Mortgagor shall be dissolved without the prior written consent of Mortgagee, or (c) if Two-Phylss dissolves its partnership status or if any interest of any general partner of Two-Phylss is sold or otherwise disposed of without prior written approval of Mortgagee, Mortgagee shall have the right, at its option, and without notice, thereafter at any time to declare all sums secured hereby and then unpaid to be due and payable forthwith although the period limited for the payment thereof shall not have been expired, any term or provision hereof to the contrary notwithstanding, and thereupon to exercise all of its rights and remedies under this Mortgage.

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17.2 Notwithstanding the foregoing, Mortgagee shall not unreasonably withhold its consent to the sale, transfer, conveyance, assignment, further encumbrance of the Mortgaged Property or a dissolution of Mortgagor's Partnership status, provided that: (1) for any such transfer the mortgage underwriting officer of Mortgagee, in his sole discretion, shall be satisfied that such transfer will not endanger the financial security of Mortgagee in the Mortgaged Property; and (2) any such transferee shall assume the obligations of Mortgagor hereunder and shall specifically agree to be bound by Section 17.1 hereof with or without additional guarantors in the sole judgment of Mortgagee and without releasing the original Mortgagor and or any guarantors; and (3) Mortgagor provides Mortgagee with prior written notice of any proposed transfer or dissolution and makes full and complete disclosure to Mortgagee of all information regarding such a transfer; and (4) Mortgagor shall be responsible for any and all expenses related to such transfer including but not limited to Mortgagee's legal expenses, document preparation, recording fees, transfer taxes, and any and all other incidental expenses of whatsoever nature associated therewith; and (5) in the event of any such transfer of the Mortgaged Property, the proposed transferee shall enter into a Management Contract with respect to the Mortgaged Property with a management company acceptable to Lender, provided however, that such a Management Contract shall not be required in the event that at the time of such transfer Permag Corporation is the tenant of all of the leasable space in the Mortgaged Property under that certain Lease dated May 2, 1984, between Mortgagor as Lessor and Permag Corporation as Tenant.

a reasonable administrative or processing fee

17.3 Notwithstanding the foregoing, if the ownership of the Mortgaged Property, or any part thereof, becomes vested in a person or entity other than Mortgagor, the Mortgagee may deal with such successor-in-interest with reference to this Mortgage, and the indebtedness secured hereby, in the same manner as with the Mortgagor, without the Mortgagee in any manner thereby vitiating or discharging the Mortgagor's liability hereunder or upon the indebtedness secured hereby. Consent by Mortgagee to a sale, conveyance, transfer, or further encumbrance shall not be deemed a waiver of the right to require consent to future or successive sales, conveyances, transfers, or further encumbrances.

18. Default Fee.

Upon default in the Note secured hereby or in any instrument evidencing or securing said Note, whereby the Mortgagee elects to accelerate the indebtedness evidenced by said Note, the Note contains provisions (which, by their reference are incorporated herein) pursuant to which the holder thereof may declare a Default Fee in an amount not exceeding ten percent (10.0%) of the unpaid principal balance thereunder as of the date of such default.

In the event of (a) default in the payment of principal or interest when the same is payable, or (b) default in the performance of any other covenant of this Mortgage, or in the Note of even date herewith, or under any other agreement or instrument securing the said indebtedness when the time for performance has arrived, or (c) in the event of any action in bankruptcy, receivership, or reorganization filed by or against Mortgagor, or any assignment or composition for the benefit of creditors made or entered into by Mortgagor; then, and in any such event, at the option of Mortgagee, without notice or demand, the same being expressly waived, the entire indebtedness secured hereby shall become due and payable thereafter, although the period above limited for the payment thereof may not have expired, anything hereinbefore or in said note contained to the contrary notwithstanding, and any failure to exercise said option shall not constitute a waiver of the right to exercise the same at any other time; and in addition to any other right or remedy which Mortgagee may now or hereafter have at law or in equity, Mortgagee is hereby authorized and empowered to sell or cause to be sold the Mortgaged Property and to convey the same to the purchaser, pursuant to the statute in case made and provided, including, without limitation, rights under the Uniform Commercial Code, and out of the proceeds of such sale to retain the monies due under the terms of this Mortgage and the costs and charges of such sale and also the attorney's fee provided by statute. In the event of sale, the Mortgaged Property may be sold in one or more parcels or as an entirety, as Mortgagee may elect. Mortgagor hereby waives any statutory or common law right of redemption which would otherwise apply to such a sale. Whenever used in this instrument, unless the context shall otherwise clearly require, the term "Mortgagor" shall include the heirs, executors, administrators, legal representatives, successors and assigns, as the case may be, of Mortgagor, and all persons claiming by, through, or under Mortgagor; the term "Mortgagee" shall include the legal representatives, successors and assigns of Mortgagee; the term "Note" shall refer to the promissory note evidencing the indebtedness hereby secured; the term "person" shall include any individual, partnership, corporation,

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trustee, or unincorporated association; the term "premises" shall include the real estate described herein, together with all buildings, structures, and improvements now or hereafter located thereon, and the Real Estate Fixtures as defined herein and any and all other right, property or interests at any time subject to the lien of this mortgage; the singular shall include the plural, and the plural, the singular; the gender used shall include the other genders.

All of the terms, covenants, conditions, and agreements herein set forth shall run with the land and shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, legal representatives, successors and assigns, as the case may be, of the parties hereto.

PROVIDED, NEVERTHELESS, that if Mortgagor shall pay to Mortgagee the said money described in the note secured hereby and the interest thereon, in the manner and at the times mentioned in said note, and any and all other sums which may become payable by Mortgagor hereunder, and shall fully keep and perform the terms, covenants, conditions, and agreements hereof by Mortgagor to be kept and performed, then this Mortgage and estate hereby granted shall cease, determine, and be void, and said Mortgage shall thereupon be released by the Mortgagee at the cost and expense of Mortgagor (all claims for statutory penalties, in case of Mortgagee's failure to release, being hereby waived).

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

WITNESS:

LaSALLE NATIONAL BANK, a
National Banking Association,
Trustee

Trustee's Exoneration Rider Attached Hereto And Made A Part Hereof

By: _____

Its: _____

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This Mortgage or Trust Deed in the nature of a mortgage is executed by LA SALLE NATIONAL BANK, not personally but as trustee under Trust No. 107887 in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said LA SALLE NATIONAL BANK hereby warrants that it possesses full power and authority to execute the Instrument) and it is expressly understood and agreed that nothing contained herein or in the note, or in any other instrument given to evidence the indebtedness secured hereby shall be construed as creating any liability on the part of said mortgagor or grantor, or on said LA SALLE NATIONAL BANK personally to pay said note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, either express or implied, herein contained, all such liability, if any, being hereby expressly waived by the mortgagee or Trustee under said Trust Deed, the legal owners or holders of the note, and by every person now or hereafter claiming any right or security hereunder; and that so far as the mortgagor or grantor and said LA SALLE NATIONAL BANK personally are concerned, the legal holders of the note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby mortgaged or conveyed for the payment thereof, by the enforcement of the lien created in the manner herein and in said note provided or by action to enforce the personal liability of the guarantor or guarantors, if any.

LA SALLE NATIONAL BANK, Tr/U/Tr
 Number 107887 & Not Personally

ATTEST: *[Signature]* BY: *[Signature]*
 ASSISTANT SECRETARY ASSISTANT VICE PRESIDENT

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK

I, Rosemary Collins Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY THAT James A. Clark Assistant Vice President of LA SALLE NATIONAL BANK, and William H. Dillon Assistant Secretary of said Bank personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Vice President and Assistant Secretary respectively, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and said Assistant Secretary did also then and there acknowledge that he, as custodian of the Corporate Seal of said Bank, did affix said corporate seal of said Bank to said instrument as his own free and voluntary act, and as the free and voluntary act of said Bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 30th day of April A.D. 19 86

[Signature]
 Notary Public

My Commission Expires: Jan 2, 1989 COOK COUNTY, ILLINOIS
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1986 APR 30 PM 2:47

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STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this
____ day of April, 1986 by _____ the
_____ of LaSALLE NATIONAL BANK, a National Banking
Association, Trustee under Trust Agreement dated April 30, 1984
and known as Trust Number 107887.

Notary Public, _____ County,

My Commission Expires: _____

This Instrument Drafted By: Mail to:
Dan M. Challa, Esquire
McSHANE & BOWIE
540 Old Kent Building
Grand Rapids, MI 49503

110,40.122
clc

BOX 33-CA

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Property of Cook County Clerk's Office

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LEGAL DESCRIPTION RIDER EXHIBIT A

LOT 69 IN CENTEX INDUSTRIAL PARK UNIT NUMBER 40 BEING A
SUBDIVISION IN SECTION 34, TOWNSHIP 41 NORTH, RANGE 11 EAST
OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

COMMONLY KNOWN AS 1050 MORSE AVENUE, ELK GROVE VILLAGE, ILLINOIS

REAL ESTATE TAX NO. 08-34-102-008 VOL. 50

ML.

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Exhibit "B" 6 9 7 1 4

PROMISSORY NOTE

\$1,125,000

_____, Illinois
April ____, 1986

FOR VALUE RECEIVED, the undersigned, LASALLE NATIONAL BANK, a national banking association, Trustee under Trust Agreement dated April 30, 1984, and known as Trust Number 107887, of 135 S. LaSalle, Chicago, Illinois 60604 (hereinafter referred to as the "Maker") promises to pay to the order of THE OHIO NATIONAL LIFE INSURANCE COMPANY, a corporation organized under and by virtue of the laws of the State of Ohio with offices at 237 William H. Taft at Highland, Cincinnati, Ohio 45219 or at such other place as the holder hereby may designate in writing, the sum of One Million One Hundred Twenty-Five Thousand Dollars (\$1,125,000), together with interest on the unpaid principal balance hereof at the rate of ten and seven-eighths percent (10.875%) per annum. Said principal and interest shall be paid as follows:

Interest only on May 1, 1986 and the sum of Ten Thousand Nine Hundred Twenty-Five Dollars (\$10,925.00) shall be paid on June 1, 1986 and, except as hereinafter provided, a like sum shall be paid on the first day of each calendar month thereafter until May 1, 1993 on which date the entire balance of principal and interest then unpaid shall be due and payable in full.

Each payment shall be credited first on interest then due and the remainder on the principal; and interest shall thereupon cease upon the principal so credited.

In the event that any payment is paid later than five (5) days after the date such payment is due and if such payment is accepted by the holder, for the purpose of defraying the additional expense of the holder incident to collecting and handling such delinquent payment, Maker shall pay a late charge in an amount equal to five cents (\$.05) for each One Dollar (\$1.00) of such delinquent installment.

After maturity (whether by acceleration or in the ordinary course) and until payment in full, the unpaid balance of principal hereunder shall bear interest at the annual interest rate which applied immediately prior to such maturity, plus two percent (2%) per annum. Interest not paid when due shall bear interest from the date when due at the lesser of (i) the annual interest rate which applied immediately prior to such nonpayment, plus two percent (2%) per annum or (ii) the highest rate per annum permitted by law thereon.

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All payments shall be made at the office of the holder in Cincinnati, Ohio or at such other place as the holder hereof may from time to time designate in writing.

INTEREST RATE RE-SET

Regardless of the existence or nonexistence of a default hereunder and notwithstanding any other provision of this Note, the holder of this Note shall have the right, exercisable effective upon the commencement of the Eighth (8th) Loan Year (the "Re-set Date") to change the applicable annual interest rate payable upon the unpaid principal of this Note to the Re-set Rate, as hereinafter defined, effective on and after the Re-set Date to maturity hereof.

The holder shall exercise such right by a written notice dispatched not less than ninety (90) days prior to the Re-set Date, specifying (a) that the holder is exercising the right to change the interest rate, and (b) the Re-set Rate, and (c) the increased amount of fixed level monthly installments of principal and interest, if any, payable in accordance with the paragraph immediately following this paragraph (such notice being called herein the "Re-set Notice").

Upon the exercise of such right, the fixed level monthly installments of principal and interest payable hereunder, but falling due on and after the Re-set Date shall be increased to the amount required to pay the then balance of unpaid principal hereunder with interest thereon at the Re-Set Rate in equal consecutive monthly installments of principal and interest commencing with the Re-Set Date and ending on the first day of the last calendar month of the twenty-fifth (25th) Loan Year, provided, however, unless sooner paid as otherwise provided herein, the entire balance of principal and interest shall be due and payable on May 1, 1998. The increase in such fixed level monthly payments shall be automatic upon dispatch of the Re-Set Notice and no additional document or amendment shall be necessary to make effective or binding this Interest Rate Re-set Provision. In no event shall the fixed level monthly installments of principal and interest, after such adjustment, be less than Ten Thousand Nine Hundred Twenty-Five Dollars (\$10,925.00).

As used herein the following terms have the following meanings:

A. Loan Year. The term "Loan Year" shall mean each period of twelve (12) consecutive months commencing on

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May 1, 1986 and each succeeding period of twelve (12) consecutive months commencing on the anniversary thereof in each year thereafter.

B. Re-Set Rate. The term "Re-Set Rate" shall mean an annual interest rate of one and one-half percent (1.5%) greater than the offered yield on a certain United State Government Treasury Bond with a coupon interest of ten and five-eighths percent (10.625%) per annum retiring in the year 2015 as supplied by the Federal Reserve Bank of New York City, New York, for the date closest to and preceding the last day of the eighth (8th) month of the seventh (7th) Loan Year (rounded upward to the nearest one-eighth of one percent (1/8 of 1%)), but in no event shall the Re-Set Rate be less than ten and seven-eighths percent (10.875%) per annum.

PREPAYMENT: After the expiration of seven (7) full Loan Years, upon sixty (60) days prior written notice to the holder hereof, and provided there shall then exist no default under this Note, or any instrument securing this Note, the Maker reserves the privilege of prepaying the principal balance hereof in full, provided that there shall be paid in addition a premium for the exercise of such privilege, which premium shall be as follows:

- A. five percent (5.0%) of the principal amount prepaid during the Eighth (8th) Loan Year,
- B. four percent (4%) during the Ninth (9th) Loan Year,
- C. three percent (3%) during the Tenth (10th) Loan Year,
- D. two percent (2%) during the Eleventh (11th) Loan Year, and
- E. one percent (1%) thereafter.

In the event that the Re-Set Rate exceeds ten and seven-eighths percent (10.875%) per annum, the Maker may prepay the principal balance hereof in full during the first ninety (90) days of the Eighth (8th) Loan Year, upon sixty (60) days prior written notice to the holder, provided that there shall also be paid a premium of one percent (1%) of the amount prepaid. No prepayment shall be made except as provided herein and then on the date otherwise required for the payment of a monthly installment of principal and interest hereunder.

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DEFAULT: It is hereby expressly agreed that (a) should default be made in the payment of any installment of principal or interest when due or (b) should default be made in the performance or observance of any of the other covenants of the Deed of Trust and Security Agreement executed by the Maker, of even date herewith, as security for this Note (the "Mortgage") or other security documents securing this Note and in such later case, such default continues for thirty (30) days, the whole sum of principal and accrued interest shall, at the option of the holder hereof, become immediately due and payable, anything contained herein or in any instrument now or hereafter securing this Note to the contrary notwithstanding, time being of the essence of this contract. Said option shall continue until all such defaults have been cured.

DEFAULT FEE: Upon the exercise by the holder of the option to accelerate this Note as permitted under the immediately preceding paragraph, the holder hereof may declare a default fee, in an amount equal to either (i) ten percent (10%) of the unpaid principal balance hereunder as of the date of such default if such default shall occur before the expiration of the Seventh (7th) Loan Year, or (ii) if such default shall occur after the expiration of the Seventh (7th) Loan Year, the prepayment premium to which said holder would have been entitled in the event that a prepayment of the entire indebtedness hereunder had occurred as of the date of such default.

NOTICE: All notices, and other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Maker:

LaSalle National Bank
135 S. LaSalle
Chicago, Illinois 60604

And:

Two-Phylss Realty Company
1159 Sonora Ct.
Sunnyvale, California 94086

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And if to the holder:

The Ohio National Life Insurance Company
ATTN: Mortgage Loan Department
237 William H. Taft at Highland
Cincinnati, Ohio 45201

And:

Hartger & Willard Mortgage Associates, Inc.
141 Ionia Avenue, N.W.
Grand Rapids, Michigan 49503

The address for which notice shall be given hereunder may be changed by providing written notice to the Maker or the holder, as the case may be in accordance with the provisions of the preceding paragraph.

COSTS OF COLLECTION: The Maker hereof agrees to pay all costs of collection, including reasonable attorneys' fees if any payment on principal or interest hereon is not paid when due and to pay all expenses of the holder hereof, including reasonable attorneys' fees, in enforcing any term or provision of the Mortgage or any other instrument which shall evidence or secure this Note.

WAIVER: The Maker and each endorser hereof hereby severally waive presentment for payment, protest and demand, notice of protest, demand and notice of dishonor and nonpayment of this Note, and consent that the holder hereof may extend the time of payment or otherwise modify the terms of payment of any part or the whole of the debt evidenced by this Note at the request of any other person liable hereon, and such consent shall not alter nor diminish the liability of any person.

EXCULPATION: Notwithstanding any provision in this Note or in any instrument evidencing or securing this Note to the contrary (except as may be provided in a written Guaranty hereof) in the event of default, neither this Note nor any instrument evidencing or securing this Note shall impose liability on the undersigned maker and by its acceptance hereof, the holder, for itself and its successors, assigns and endorsers, agrees that no judgment, order or execution entered in any suit, action or proceeding, either legal or equitable, hereon or on any instrument evidenced or securing this Note, shall be enforced against the undersigned maker. In the event of default hereunder or under any instrument evidencing or securing this Note, the remedies of the holder shall be limited to remedies against the property by the Mortgage conveyed, the rents, issues and profits thereof, and

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such other and further security as may from time to time be given, provided, however, that nothing herein contained shall limit or be construed to limit or impair the enforcement against such property of the rights and remedies of the holder, and its successors, assigns and endorsers, as owner and holder hereof, under this Note, the Mortgage and all other documents construed to limit or impair the right of the holder to recover a Deficiency Judgment against the undersigned maker for the purpose of the recovery of rents, issues and profits from the property by the Mortgage conveyed, however, no such Deficiency Judgment shall impose liability on the undersigned maker. Notwithstanding the foregoing, nothing contained herein shall in any way be construed so as to eliminate or limit the personal liability of the individual guarantors for the indebtedness evident by this Note as set forth in the individual guarantys of even date herewith.

USURY: Notwithstanding any provision herein or in any instrument now or hereafter securing this Note, the total liability for payments in the nature of interest shall not exceed the limits imposed by the usury laws of the State of Illinois.

LASALLE NATIONAL BANK, a national
banking association, Trustee

by: _____

Its: _____

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