

NOW, THEREFORE, Mortgagee, to secure the payment of said principal sum of money and said interest in accordance with the terms, provisions and limitations of this Mortgage and of the Note secured hereby, and the performance of the covenants and agreements herein contained, by Mortgagor to be performed, and also in consideration

WHEREAS, it is contemplated by and between Mortgagee and Mortgagee that upon completion of construction of certain improvements, Mortgage Note No. 2 will be paid in full, and Mortgage Note No. 1 will be converted to a long-term loan by Mortgagee on the Conversion Date (as defined in Mortgage Note No. 1). As more particularly set forth in Mortgage Note No. 1, after the Conversion Date, installments of interest only shall be due for the first twenty-four (24) months of the term thereof, and installments of principal and interest for the remaining ninety-six (96) months shall be due and payable to Mortgagee on the first (1st) day of each succeeding month thereafter up to and including the first (1st) day of the one hundred twentieth (120th) month after the month in which the first (1st) full installment of interest was payable, at which time the unpaid principal balance, all interest accrued thereon, and any other costs and expenses then owing to Mortgagee or to the holder of the Note shall be due and payable in full. In the event this Mortgage and Mortgage Note No. 1 has not been converted to a long-term loan on or before June 30, 1988, or within such additional period or periods as Mortgagee may agree upon, and Mortgage Note No. 2 has not been paid in full, or in the event the "Maturity Date" (as such term is defined in Mortgage Note No. 1) shall occur, then the principal sum secured hereby and all interest accrued thereon shall immediately become due and payable.

WHEREAS, Mortgagee is justly indebted to Mortgagee in the principal sum of FIVE MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$5,800,000.00) as evidenced by two (2) separate Mortgage Notes of even date herewith, the first (1st) such Note being in the principal sum of FOUR MILLION THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$4,300,000.00) (hereinafter "Mortgage Note No. 1"), and the second such Note being in the principal sum of ONE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,500,000.00) (hereinafter "Mortgage Note No. 2"). (hereinafter collectively referred to as the "Notes"), each executed by Mortgagee and each made payable to the order of and delivered to Mortgagee, whereby Mortgagee promises to pay the principal sum or so much thereof as may be advanced by the holder or holders of the Note from time to time, together with interest thereon from the date of disbursement, at the rate set forth therein, in installments as set forth therein, and at such place or places as may be designated by the Mortgagee or the holder hereof, until the entire principal sum and all accrued interest have been paid.

M I S S I S S I P I :

THIS INDENTURE (herein sometimes referred to as "Mortgage") made as of June 1987, by and between LASALLE NATIONAL BANK, a national banking association, whose address is 135 South LaSalle Street, Chicago, Illinois 60690, not personally but as Trustee under the provisions of a deed or deeds in trust duly recorded and delivered to said Trustee pursuant to a Trust Agreement dated March 30, 1987 and known as Trust No. 122136, (herein referred to as "Mortgagor") and MONY LIFE INSURANCE COMPANY OF AMERICA, an Arizona corporation, having a principal place of business at 1740 Broadway, New York, New York 10019, (herein referred to as "Mortgagee").

CONSTRUCTION MORTGAGE AND SECURITY AGREEMENT

\$31.00

MLOA Construction Loan No. 170021-HO  
MLOA Loan No. 400033-HO

021170720

71-22-784-DI

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of the sum of One Dollar (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents GRANT, REMISE, RELEASE, ALIEN and CONVEY unto Mortgagee, its successors and assigns, the real estate and all of its estate, right, title and interest therein, situate, lying and being in the Village of Westchester, County of Cook, State of Illinois, bounded and described as set forth in Schedule A attached hereto and made a part hereof, which, with the property, interests, title and rights hereinafter described, is referred to herein as the "premises."

TOGETHER with all building materials and equipment now or at any time hereafter delivered to said real estate and intended to be affixed thereto or incorporated therein.

TOGETHER with all machinery, apparatus, equipment, fittings, fixtures, whether actually or constructively attached to said property and including all trade, domestic and ornamental fixtures, and articles of personal property of every kind and nature whatsoever (hereinafter collectively called "equipment"), now or hereafter located in, upon or under said property or any part thereof and used or usable in connection with any present or future operation of said property, including but not limiting the generality of the foregoing, all heating, air conditioning, sprinklers, freezing, lighting, laundry, incinerating and dynamo and generating equipment; engines, pipes, pumps, tanks, motors, conduits; switchboards, plumbing and plumbing fixtures; lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communications apparatus; boilers, ranges, furnaces, oil burners or units thereof; appliances, air cooling and air conditioning apparatus; vacuum cleaning systems; elevators, escalators; shades, awnings; screens; storm doors and windows; stoves; wall beds, refrigerators, cooking apparatus and mechanical equipment, gas and electric fixtures; partitions; mantels, built-in mirrors, window shades, blinds, furniture of public spaces, halls and lobbies, attached cabinets, partitions, ducts and compressors; rugs and carpets; draperies; furniture and furnishings used in the operation of the premises; together with all additions thereto and replacements thereof (Mortgagor hereby agreeing with respect to all additions and replacements, to execute and deliver from time to time such further instruments as may be requested by Mortgagee to confirm the conveyance, transfer and assignment of any of the foregoing).

TOGETHER with all right, title and interest of the Mortgagor, if any, including any after acquired title or reversion, in and to the land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the above-described real estate to the center line thereof.

TOGETHER with any and all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the premises as a result of (a) the exercise of the right of eminent domain, (b) the alteration of the grade of any street, or (c) any other injury to or decrease in the value of the premises, to the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by the Mortgagee, and of the reasonable counsel fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such award or payment. The Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be requested by the Mortgagee to confirm such assignment to the Mortgagee of any such award or payment.

TOGETHER with all of Mortgagor's rights further to encumber said property for debt.

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TO HAVE AND TO HOLD the premises unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth.

PROVIDED, HOWEVER, that if the Mortgagor shall pay the principal sum and all interest as provided in the Note, shall pay all other sums herein provided for or secured hereby, and shall well and truly keep and perform all of the covenants herein contained, then this Mortgage shall be released at the cost of the Mortgagor, otherwise to remain in full force and effect.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Mortgagor shall pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of the Note.

2. Mortgagor shall pay before any penalty attaches all general taxes, shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the premises when due, and shall, upon written request, furnish to Mortgagee duplicate receipts therefor. To prevent default hereunder, Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagor may desire to contest.

3. Mortgagor covenants and agrees to deposit at such place as the Mortgagee may from time to time in writing appoint, commencing on the first day on which monthly payments of principal and/or interest are due under said Note, and on the first day of each month thereafter until the indebtedness secured by this Mortgage is fully paid, a sum equal to one-twelfth of the last total annual taxes and assessments for the last ascertainable year (general and special) on said premises (unless said taxes are based upon assessments which exclude the Improvements or any part thereof now constructed or to be constructed, in which event the amount of such deposits shall be based upon the Mortgagee's reasonable estimate of the amount of taxes and assessments to be levied and assessed). Concurrently with the disbursement of the loan, Mortgagor will also deposit with Mortgagee an amount, based upon the taxes and assessments so ascertainable or so estimated by the Mortgagee, as the case may be, for taxes and assessments on said premises, on an accrual basis, for the period from January 1, succeeding the year for which all taxes and assessments have been paid, to and including date of the first deposit in this paragraph hereinabove mentioned. Such deposits are to be held without any allowance of interest and are to be used for the payment of taxes and assessments (general and special) on said premises next due and payable when they become due. If the funds so deposited are insufficient to pay any such taxes or assessments (general and special) for any year when the same shall become due and payable, the Mortgagor shall, within ten (10) days after receipt of demand therefor, deposit such additional funds as may be necessary to pay such taxes and assessments (general and special) in full. If the funds so deposited exceed the amount required to pay such taxes and assessments (general and special) for any year, the excess shall be applied on a subsequent deposit or deposits. As long as Mortgagor complies with the provisions of this paragraph, the obligation for direct payment of taxes and assessments set forth in Paragraph 2 above shall be suspended.

4. In the event of a default in any of the provisions contained in this Mortgage or in the Note secured hereby, Mortgagee may, at its option, without being required to do so, apply any monies at the time on deposit pursuant to Paragraph 3 hereof, as said paragraph may be applicable, on any of Mortgagor's obligations herein or in the Note contained, in such order and manner as

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Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or the then owner or owners of the premises. Such deposits are hereby pledged as additional security for the indebtedness hereunder and shall be held in trust to be irrevocably applied by the depository for the purposes for which made hereunder and shall not be subject to the direction or control of the Mortgagor, provided, however, that neither the Mortgagee nor said depository shall be liable for any failure to apply to the payment of taxes and assessments any amount so deposited, unless Mortgagor, while not in default hereunder, shall have requested said depository in writing to make application of such funds to the payment of particular taxes or assessments for payment of which they were deposited, accompanied by the bills for such taxes and assessments.

5. (a) Mortgagor shall keep all buildings and improvements now or hereafter situated on said premises insured against loss or damage by fire and such other hazards as may reasonably be required by Mortgagee, including, without limitation on the generality of the foregoing, war damage insurance whenever, in the opinion of Mortgagee, such protection is necessary. Mortgagor shall also provide business interruption insurance in an amount equal to at least six (6) months of fixed operating expenses, taxes and debt service or in such amounts as Mortgagee may require. All policies of insurance to be furnished hereunder shall be in forms, companies and amounts satisfactory to Mortgagee, with mortgagee clauses attached to all policies in favor of and in form satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days prior written notice to the Mortgagee. Mortgagor shall deliver all policies, including additional and renewal policies, to Mortgagee and, in the case of insurance about to expire, shall deliver renewal policies not less than thirty (30) days prior to their respective dates of expiration.

(b) In case of loss, the Mortgagee (or after entry of decree of foreclosure, purchaser at the sale, or the decree creditor, as the case may be) is hereby authorized either (i) to settle and adjust any claim under such insurance policies without consent of Mortgagor or (ii) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss. In either case, Mortgagee is authorized to collect and receipt for any such insurance money. Such insurance proceeds may, at the option of Mortgagee, either be applied in reduction of the indebtedness secured hereby, whether due or not, or be held by the Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoration of buildings or improvements on said premises except as required by the Construction Loan Agreement.

In case of loss after foreclosure proceedings have been instituted, the proceeds of any such insurance policy or policies shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid to the owner of the equity of redemption if he shall then be entitled to the same or as the court may direct. In case of the foreclosure of this Mortgage, the court in its decree may provide that the Mortgagee's clause attached to each of said insurance policies may be canceled and that the decree creditor may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said decree creditor; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statute in each case made and provided, then and in every such case, each successive redeemer may cause the preceding loss clause attached to each insurance policy to be canceled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of foreclosure sale, Mortgagee is

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hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

6. Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed, (b) keep said premises in good condition and repair, without waste, and free from mechanics' liens or claims for lien not expressly subordinated to the lien hereof, (c) pay when due any indebtedness which may be secured by a lien or charge on the premises superior to the lien hereof and, upon request, exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee, (d) complete within a reasonable time any building or buildings now or at any time in process of erection upon said premises, (e) comply with all requirements of law, municipal ordinances, or restrictions of record with respect to the premises and the use thereof, (f) make no material alterations in said premises except as required by law or municipal ordinance, (g) suffer or permit no change in the general nature of the occupancy of the premises without Mortgagee's written consent, (h) initiate or acquiesce in no zoning reclassification without Mortgagee's written consent, and (i) replace with new equipment any equipment which shall have become worn out, obsolete or shall have been disposed of by Mortgagor.

7. Mortgagee shall have the right to inspect the premises at all reasonable times, and access thereto shall be permitted for that purpose.

8. Mortgagor shall do all things needful to keep all leases in full force and effect and to operate the property in a first-class manner. In the event Mortgagor defaults in the performance of any obligations imposed by any lease affecting the property conveyed hereby Mortgagee (at its option but without obligation so to do), at any time and from time to time, with or without any notice to or demand upon Mortgagor, may perform the same or any other obligation of Mortgagor under said lease and pay such sums in such manner and to such extent as Mortgagee, in its sole discretion, deems advisable to cure such default, without thereby waiving or curing any default hereunder. Mortgagee is authorized for such purposes to enter upon said property and shall not be deemed guilty of trespass in so doing. Mortgagor covenants and agrees that it will pay on demand all sums so expended and any reasonable cost so incurred with interest thereon from date of expenditure at the rate specified in the Note from and after maturity. It is further agreed that all sums so expended, costs so incurred and interest thereon shall be secured hereby.

9. The Mortgagor upon request, made either personally or by mail, shall certify by a writing duly acknowledged to the Mortgagee or to any proposed assignee of this Mortgage, the amount of principal and interest then owing on this Mortgage and whether any offsets or defenses exist against the mortgage debt, within thirty (30) days in case the request is made personally, or within thirty (30) days after the mailing of such request in case the request is made by mail.

10. Mortgagor will execute and deliver (and pay the costs of preparation and recording thereof) to Mortgagee and to any subsequent holder from time to time upon demand, any further instrument or instruments, including but not limited to mortgages, security agreements, financing statements, assignments and renewal and substitution notes, so as to reaffirm, to correct, and to perfect the evidence of the obligation hereby secured and the lien of Mortgagee to all or any part of the premises intended to be hereby

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mortgaged, whether now mortgaged, later substituted for, or acquired subsequent to the date of this Mortgage and extensions or modifications thereof.

11. Mortgagor covenants and agrees to furnish to Mortgagee within ninety (90) days after the close of each fiscal year, an annual operating statement of income and expenses with respect to the premises as of the close of each fiscal year. Said operating statement shall be in form and detail satisfactory to Mortgagee, and shall be supported by an affidavit given by or on behalf of Mortgagor pursuant to Paragraph 44 hereof.

12. Mortgagor represents and agrees that no rent has been or will be paid by any person in possession of any portion of the premises for more than two installments in advance.

13. There shall be no construction of improvements on the property covered by the lien of this Mortgage or on any adjoining land, at any time owned or controlled by Mortgagor, any beneficiary of Mortgagor, or the general partners or joint venturers of any such beneficiary, or the related business entities of any beneficiary, general partners, or joint venturers, unless plans and specifications for such construction shall have been submitted to Mortgagee and have been approved by it in its sole but reasonable judgment as entailing no prejudice to the security for the indebtedness secured hereby without the prior written consent of Mortgagee.

14. If (a) default be made in the payment when due of any portion of the principal sum evidenced by said Note or in the payment of any interest accrued thereon, and if such default shall continue beyond any period of grace which, by the provisions of the Note, is applicable thereto; or (b) Mortgagor shall file a petition in voluntary bankruptcy or under other provisions of the Federal Bankruptcy Act or any similar law, state or federal, whether now or hereafter existing or an answer admitting insolvency or inability to pay its debts, or fail to obtain a vacation or stay of involuntary proceedings within thirty days, as hereinafter provided; or (c) Mortgagor shall be adjudicated a bankrupt, or a trustee or a receiver shall be appointed for Mortgagor or for all of its property, or the major part thereof in any involuntary proceedings, or any court shall have taken jurisdiction of the property of Mortgagor or the major part thereof in any involuntary proceeding for the reorganization, dissolution, liquidation, or winding up of the Mortgagor, and such trustee or receiver shall not be discharged of such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within thirty (30) days; or (d) Mortgagor shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all of its property or the major part thereof; or (e) default shall be made in the due observance or performance of any other of the covenants, agreements or conditions hereinbefore or hereinafter contained, required to be kept or performed or observed by Mortgagor, provided that as to monetary defaults hereunder, there shall be a five (5) day grace period before a default is declared, and as to nonmonetary defaults, no default will be declared until thirty (30) days' prior written notice thereof has been given to the Mortgagor, and further provided that as to such nonmonetary defaults, if Mortgagor initiates and diligently proceeds to cure such default, then no acceleration shall occur; or (f) if there is a default in the due observance of any covenant or condition set forth in that certain Furniture, Fixture and Equipment Escrow Agreement beyond any period of grace set forth therein, which Furniture, Fixture and Equipment Escrow Agreement shall be entered into as of the Conversion Date (as defined in Mortgage Note No. 1); then and in every such case the whole of said principal sum hereby

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secured shall at once, at the option of Mortgagee, become immediately due and payable, together with accrued interest thereon, without notice to Mortgagor.

15. In any case in which, under the provisions of this mortgage, the Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the premises or any part thereof personally, or by its agents or attorneys, as for condition broken, and Mortgagee in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of said premises, together with all documents, books, records, papers and accounts of the Mortgagor or then owner of the premises relating thereto, and may exclude the Mortgagor, its agents or servants, wholly therefrom and may as attorney-in-fact or agent of the Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the premises and conduct the business, in any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to the Mortgagor, and with full power to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same, to elect to disaffirm any lease or sublease made subsequent to this Mortgage or subordinated to the lien hereof, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the premises as to it may seem judicious, insure and reinsure the same and all risks incidental to Mortgagee's possession, operating and management hereof and to receive all of such avails, rents, issues and profits.

The Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases, and the Mortgagor shall and does hereby agree to indemnify and hold the Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should the Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and the Mortgagor shall reimburse the Mortgagee therefor immediately upon demand.

16. The proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Paragraph 22 hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note; fourth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

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17. Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of said premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not and the Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said premises during the pendency of such foreclosure suit, and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (b) the deficiency in case of a sale and deficiency.

18. If, by the laws of the United States of America, or of any state having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the issuance of the Note hereby secured, the Mortgagor covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor further covenants to hold harmless and agrees to indemnify the Mortgagee, its successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the Note secured hereby.

19. To further secure the indebtedness secured hereby, Mortgagor does hereby sell, assign and transfer unto the Mortgagee all the rents, issues and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal, or any letting of or of any agreement for the use or occupancy of the premises or any part thereof, which may have been heretofore, or may be hereafter, made or agreed to or which may be made or agreed to by the Mortgagee under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all of such leases and agreements, and all the avails thereunder, unto the Mortgagee, and Mortgagor does hereby appoint irrevocably the Mortgagee its true and lawful attorney in its name and stead (with or without taking possession of the premises as provided in Paragraph 15 hereof) to rent, lease or let all or any portion of said premises to any party or parties at such rental and upon such terms as said Mortgagee shall, in its discretion, determine, and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, and all now due rents, issues and profits arising from or accruing at any time hereafter, and all now due or that may hereafter become due under each and every of the leases and agreements, written or verbal, or other tenancy existing, or which may hereafter exist on said premises, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as the Mortgagee would have upon taking possession pursuant to the provisions of Paragraph 15 hereof. The Mortgagor represents and agrees that the payment of none of the rents to accrue for any portion of the premises has been or will be waived, released, reduced, discounted, or otherwise discharged or compromised by the Mortgagor. The Mortgagor waives any rights of set off against any person in possession of any portion of the premises. Mortgagor agrees that it will not further assign any of the rents,

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leases or profits of said premises, except to a purchaser or grantee of the premises and any such assignment shall be subject and subordinate to all of the provisions of this Mortgage and of any separate security for the indebtedness secured hereby.

Nothing herein contained shall be construed as constituting the Mortgagee a Mortgagee in possession in the absence of the taking of actual possession of the premises by the Mortgagee pursuant to Paragraph 15 hereof. In the exercise of the powers herein granted the Mortgagee, no liability shall be asserted or enforced against the Mortgagee, all such liability being expressly waived and released by Mortgagor.

Although it is the intention of the parties that the assignment contained in this Paragraph 19 shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that the Mortgagee shall not exercise any of the rights or powers conferred upon it by this paragraph until a default shall exist hereunder and shall remain uncured.

At any time within thirty (30) days after notice and demand by Mortgagee, Mortgagor will deliver to Mortgagee, but not more frequently than once in every twelve (12) month period, a statement with respect to the leases relating to the premises, which statement shall be under oath and shall be in such reasonable detail as Mortgagee may request and shall comply with the provisions of Paragraph 44 hereof. On demand, Mortgagor will furnish to Mortgagee executed counterparts of any leases relating to the premises.

20. Mortgagee, in the exercise of the rights and powers herein conferred upon it by Paragraph 15 and Paragraph 19 hereof, shall have full power to use and apply the avails, rents, issues and profits of the premises to the payment of or on account of the following in such order as Mortgagee may determine:

- (a) to the payment of the operating expenses of said property, including the cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), establishing claims for damages, if any, and premiums on insurance hereinabove authorized;
- (b) to the payment of taxes and special assessments now due or which may hereafter become due on said premises;
- (c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of said premises and of placing said property in such condition as will, in the judgment of the Mortgagee, make it readily rentable;
- (d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

21. In the event of the enactment after this date of any Federal, State or local law deducting from the value of land for the purpose of taxing any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or lien herein required to be paid by Mortgagor,

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or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the premises, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder thereof, then, and in any such event, the Mortgagor, upon demand by the Mortgagee therefor; provided, that if in the opinion of counsel for the Mortgagee (a) it might be unlawful to require Mortgagor to make such payment or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable ninety (90) days from the giving of such notice without premium.

22. When the indebtedness secured hereby, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the premises. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of said premises and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or said premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the Augmented Rate or Default Rate specified in the Note, and shall be secured by this Mortgage.

23. In case of default herein, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other moneys advanced by Mortgagee to protect the premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Augmented Rate or Default Rate specified in the Note.

24. Mortgagee in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

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25. When and if Mortgagor and Mortgagee shall respectively become a debtor and secured party in any Uniform Commercial Code Financing Statement affecting property either referred to or described herein or in any way connected with the use and enjoyment of these premises, the Mortgage shall be deemed the Security Agreement as defined in said Uniform Commercial Code and the remedies for any violation of the covenants, terms and conditions or the agreements herein contained shall be (i) as prescribed herein or (ii) by general law or (iii) as to such part of the security which is also reflected in said Financing Statement by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code, all at Mortgagee's sole election. Mortgagor and Mortgagee agree that the filing of such a Financing Statement in the records normally having to do with personal property shall never be construed as in anywise derogating from or impairing this declaration and hereby stated intention of the parties hereto that everything used in connection with the production of income from the mortgaged property and/or adapted for use therein and/or which is described or reflected in this Mortgage is and at all times and for all purposes and in all proceedings both legal and equitable shall be regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with the Mortgagee, (iii) any such item is referred to or reflected in any such Financing Statement so filed at any time. Similarly, the mention in any such Financing Statement of (1) the rights in or the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) the debtor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the property conveyed hereby, whether pursuant to lease or otherwise, shall never be construed as in anywise altering any of the rights of Mortgagee as determined by this instrument or impugning the priority of the Mortgagee's lien granted hereby or by any other recorded document, but such mention in the Financing Statement is declared to be for the protection of the Mortgagee in the event any Court or Judge shall at any time hold with respect to (1), (2) and (3) that notice of Mortgagee's priority of interest to be effective against a particular class of persons, including but not limited to the Federal government, must be filed in the Commercial Code Records.

26. If from any circumstances whatever, fulfillment of any provision of the Mortgage, the Note which it secures or any other instrument securing or evidencing this loan, shall transcend the limit of validity prescribed by the usury statute or any other law of the State of Illinois, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity so that in no event shall any exaction be possible under this Mortgage, the Note which it secures or such other instrument that is in excess of the limit of such validity, but such obligation shall be fulfilled to the limit of such validity. And in no event shall the Mortgagor, its successors or assigns, be bound to pay for the use or detention of the money loaned and secured hereby, or for Mortgagee's forbearance in collecting same, interest of more than the maximum rate lawfully collectible in accordance with the applicable laws of the State of Illinois; the right to demand any such excess shall be and is hereby waived. The provision of this paragraph shall control every other provision of the Mortgage, the Note which it secures and any other undertaking, agreement or document evidencing, supporting or securing this loan.

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27. 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 of 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 premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the premises sold as an entirety. The Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure, pursuant to rights herein granted, on behalf of the Mortgagor, the trust estate and all persons beneficially interested therein if Mortgagor is a land trust, and each and every person acquiring any interest in, or title to, the premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by the provisions of the Illinois Statutes, including Chapter 77 Section 18-b of the Illinois Statutes.

28. Notwithstanding any taking in eminent domain, alteration of the grade of any street or other injury to or decrease in value of the premises by any public or quasi-public authority or corporation, the Mortgagor shall continue to pay the installments payable under the Note until any such award or payment shall have been actually received by the Mortgagee and any reduction in the principal sum resulting from the application by the Mortgagee of such award or payment as hereinafter set forth shall be deemed to take effect only on the date of such receipt. Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any award or any claim for damages for any of the premises taken or damaged under the power of eminent domain or by condemnation. Mortgagee may elect to apply the proceeds of the award upon or in reduction of the indebtedness secured hereby, whether due or not, or to require Mortgagor to restore or rebuild, in which event the proceeds shall be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoring of buildings or improvements on said premises, in accordance with plans and specifications to be submitted to and approved by Mortgagee.

29. Any payment made in accordance with the terms of this Mortgage by any person at any time liable for the payment of the whole or any part of the sums now or hereafter secured by this mortgage, or by any subsequent owner of the premises, or by any other person whose interest in the premises might be prejudiced in the event of a failure to make such payment, or by any stockholder, officer or director of a corporation which at any time may be liable for such payment or may own or have such an interest in the premises, shall be deemed, as between the Mortgagee and all persons who at any time may be liable as aforesaid or may own the premises, to have been made on behalf of all such persons.

30. Acceptance by the Mortgagee of any payment which is less than payment in full of all amounts due and payable at the time of such payment, shall not constitute a waiver of Mortgagee's right to exercise its option to declare the whole of the principal sum then remaining unpaid, together with all accrued interest thereon, immediately due and payable without notice, or any other rights of the Mortgagee at that time or any subsequent time, nor nullify any prior exercise of such option or such rights of Mortgagee without its express consent except and to the extent otherwise provided by law.

31. If the payment of said indebtedness or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in said premises, shall be held to assent to such extension,

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variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right or recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding such extension, variation or release.

32. If the Mortgagor shall grant (with Mortgagee's prior written consent only) any lien or mortgage on the premises junior to this Mortgage, such junior lien or mortgage shall be subject to all such renewals and extensions, modifications, releases, increases, changes or exchanges, without the consent of such junior lien holder or mortgage holder, and without any obligation to give notice of any kind thereto.

33. The Mortgagee shall have the right from time to time to sue for any sums whether interest, damages for failure to pay principal or any installment thereof, taxes, installments of principal or any other sums required to be paid under the terms of this Mortgage, as the same become due, without regard as to whether or not the principal sum secured or any other sums secured by the Note and Mortgage shall be due and without prejudice to the right of the Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by the Mortgagor existing at the time such earlier action was commenced.

34. Any notice which either party hereto may desire or be required to give to the other party shall be in writing and shall be forwarded either by certified mail return receipt requested or by overnight courier service. In the event transmittal is made by certified mail, notice shall be deemed given three (3) business days after such notice was deposited with the U.S. Postal Service. In the event transmittal is made by overnight courier service, notice shall be deemed made the following business day after such notice was deposited with the overnight courier service. Notice shall be addressed to Mortgagor at 135 South LaSalle Street, Chicago, Illinois 60690, Attention: Land Trust Department, with copies to Westchester-Oakbrook Inn Partnership, c/o Woodfield Financial Centre Inn Partnership, 1375 East Woodfield Road, Suite 100, Schaumburg, Illinois 60195. Notice shall be addressed to the Mortgagee c/o The Mutual Life Insurance Company of New York, 1740 Broadway, New York, New York 10019, Attention: Senior Vice President for Real Estate and Mortgage Investment, with a copy to The Mutual Life Insurance Company of New York, 2310 Parklake Drive, N.E., Suite 550, Atlanta, Georgia 30345, Attention: Vice President. The designated place of notice set forth herein may be changed from time to time by the parties hereto by written notice of such change.

35. This Mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein, and the holder or holders, from time to time, of the Note secured hereby.

36. No remedy or right of Mortgagee shall be exclusive of, but each such remedy or right shall be in addition to, every other remedy or right now or hereafter existing at law or in equity. No delay in the exercise or omission to exercise of any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or an acquiescence therein, nor shall it affect any subsequent default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

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37. If the Mortgagor consists of more than one party, such mortgagors shall be jointly and severally liable under any and all obligations, covenants and agreements of the Mortgagor contained herein.

38. This Mortgage cannot be changed except by an agreement in writing.

39. Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and upon payment of a reasonable service charge not to exceed \$100.

40. Mortgagor agrees to indemnify Mortgagee and save it harmless from all loss, damage and expense, including reasonable attorneys' fees, incurred in connection with any suit or proceeding in or to which Mortgagee may be made a party due to the existence of this Mortgage or to which suit or proceeding Mortgagee may become a party for the purpose of protecting the lien of this Mortgage.

41. Mortgagor represents to Mortgagee that the proceeds of the Note secured by this Mortgage will be used for the purposes specified in Section 6404, Paragraph 4, Chapter 17, Illinois Revised Statutes (1981), and that the principal obligation secured hereby constitutes a business loan within the purview of said Section 6404, Paragraph 4(1)(c).

42. Mortgagor covenants and agrees that at all times prior to the release of the lien of this Mortgage:

- (i) the management of the premises shall not be changed;
- (ii) legal title to the premises shall not be conveyed, transferred, nor in any manner assigned;
- (iii) there shall be no transfer or assignment of all or any portion of the beneficial interest or power of direction in or under said Trust No. 112136;
- (iv) there shall be no change in the identity of any of the beneficiaries owning the beneficial interest and power of direction in and under Trust No. 112136 (death or removal of a beneficiary for reasons of legal incapacity shall not be deemed, for purposes of this paragraph, as a "change in the identity of the beneficiaries," provided, however, that each successor beneficiary who replaces such deceased or removed beneficiary shall be an heir, legatee, devisee or personal representative of such deceased or removed beneficiary); without in each instance first obtaining the written consent of Mortgagee so to do, which consent shall not be unreasonably withheld.

Mortgagor further covenants, acknowledges and agrees that if the holder of the Note shall fail to consent in writing to any conveyance, transfer, assignment or change aforementioned, requested as aforesaid, and if nonetheless such conveyance, transfer, assignment or change shall be made, then and in any such event and at any time prior to the giving of any such consent, the holder of the Note, at its election (which election shall be evidenced by written notice thereof given to Mortgagor) may accelerate the due date of the indebtedness evidenced by the Note secured hereby, and declare such indebtedness to be immediately due and payable, and thereupon and thereafter exercise all rights and privileges

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reserved to it or conferred upon it by said Note, this Mortgage, any assignment of rents, or assignment of lease, given as additional security for the payment of said Note or provided by the laws of the State of Illinois; or require that the rate of interest as set forth in the Note be increased to the Augmented Rate or the Default Rate. In addition, Mortgagee may charge a reasonable fee for processing such request for approval and an increase in the rate of interest on the unpaid balance of the indebtedness to a current market rate.

Notwithstanding the foregoing, there shall be no change in the ownership of Westchester-Oakbrook Inn Partnership that would result in Ernest F. Schultz, Jr. and Calvert J. Gordon owning less than one hundred percent (100%) of the partnership interest or losing management control of Westchester-Oakbrook Inn Partnership. Transfers by operation of law or transfers occurring as the result of death shall not be subject to Mortgagee's prior written approval.

43. The occurrence of an event of default under any assignment of rents or assignment of leases made and delivered by Mortgagor to Mortgagee as additional security for the payment of the indebtedness secured by this Mortgage, and the continuance of such event of default beyond any period of grace applicable thereto under the terms and provisions of any such assignment, shall constitute an event of default under this Mortgage.

44. Whenever and wherever by the provisions of this Mortgage (including but not limited to the provisions of Paragraphs 11 and 19) any certificate, affidavit or statement (herein collectively called "statement") is required to be delivered by Mortgagor, if and for so long as Mortgagor shall be a corporate fiduciary holding legal title to the premises, such statement shall be made by the beneficiary or beneficiaries of the trust which holds legal title to the premises and of which Mortgagor is the trustee; provided, however, that if the beneficiary is a limited partnership, such statement shall be made by a majority of the general partners, and if said beneficiary is a general partnership or a joint venture, such statement shall be made by those of the general partners or joint venturers, as the case may be, who shall have been previously designated in a written notice delivered to Mortgagee and signed by all of the general partners or joint venturers, as the case may be.

45. Mortgagor covenants, acknowledges and agrees that if Mortgagor, only after the Mortgagee's prior written consent has been obtained, shall grant any lien or mortgage on the premises junior to this Mortgage, such junior lien or mortgage shall be subject and subordinate to leases of parts or portions of the premises made either before or after the date of recording of such junior lien or mortgage, and Mortgagor shall not execute and deliver any such junior lien or mortgage unless such junior lien or mortgage shall be subject and subordinate to all leases of parts or portions of the premises, irrespective of whether made before or after the date of recording of such junior lien or mortgage.

46. Mortgagor covenants and agrees that at all times prior to the release of the lien of this Mortgage:

- (i) The Premises shall be managed by competent professional management satisfactory to Mortgagee. Mortgagor shall provide Mortgagee with a copy of the management contract which shall be subject to Mortgagee's approval. In the event of any material change of management or termination or modification of the management contract Mortgagor shall promptly provide Mortgagee with written notice of such change of management and Mortgagee shall not unreasonably

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withhold its consent to such change. In the event of any material change of management or termination or modification of the management contract without Mortgagee's prior written consent, Mortgagee may at its sole option declare this loan immediately due and payable. Mortgagor hereby collaterally assigns to the Mortgagee, as additional security for the loan secured hereby, all its right, title and interest to the management agreement. For the purposes herein set forth, from and after the Conversion Date, Mortgagee consents to the management of the Premises by North American Hospitality Incorporated.

- (ii) From and after the Conversion Date, there shall be maintained at all times during the term of this loan on the Premises described in Schedule A at least one hundred twenty-four (124) on-site paved and striped parking spaces and as required by all zoning and all applicable governmental laws and regulations paved parking spaces sufficient in size to accommodate standard-size American cars and a sufficient number of parking spaces to satisfy the cumulative requirements of all laws and ordinances and all leases and other agreements, written or verbal, then in effect for the use or occupancy of the Premises or any part thereof.

47. Mortgagor represents, acknowledges and agrees that prior to the Conversion Date: (i) the proceeds of the loan secured hereby are to be used in the construction of certain improvements on the real estate described in Schedule A; (ii) concurrently with the execution of this Mortgage, Mortgagor has made and entered into a "Construction Loan Agreement" with Mortgagee; (iii) said proceeds are to be disbursed by Mortgagee to Mortgagor in accordance with the provisions contained in said Construction Loan Agreement, and (iv) this Mortgage shall be deemed to be a "construction mortgage" under the terms and provisions of clause (1)(C) of Section 9-313 of Chapter 26 of the Illinois Revised Statutes.

Mortgagor agrees that all advances and indebtedness arising and accruing under the Construction Loan Agreement from time to time, whether or not the total amount thereof may exceed the face amount of the Note, shall be secured hereby to the same extent as though said Construction Loan Agreement were fully incorporated in this Mortgage, and the occurrence of any event of default under said Construction Loan Agreement shall constitute a default under this Mortgage entitling Mortgagee to all of the rights and remedies conferred upon Mortgagee by the terms of this Mortgage, or by the terms of the Construction Loan Agreement, or by law, as in the case of any other default. In the event of a conflict between any of the terms and provisions of this Mortgage with the terms and provisions of the Construction Loan Agreement, Mortgagee shall have the option as to which terms and provisions shall prevail.

It is contemplated that after the completion of the improvements on the Premises, Mortgage Note No. 1 secured hereby will be converted to a long-term loan as of the Conversion Date. From and after the Conversion Date, the provisions set forth pertaining to construction of the Premises shall be terminated and shall no longer be effective, and thereafter, no defenses, offsets, or counterclaims available to the Mortgagor, its beneficiaries, successors, and assigns arising out of the Construction Loan Agreement shall be valid or effective against the indebtedness evidenced by the Note secured hereby or against Mortgagee, its successors, or assigns, all of said defenses, offsets, and counterclaims being waived insofar as the said indebtedness and

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Mortgagee, its successors and assigns are concerned, and no party to said Construction Loan Agreement shall thereafter look to Mortgagee for any right or remedy under said Construction Loan Agreement, nor shall any provision of said Construction Loan Agreement thereafter operate to modify, limit, impair or prejudice any right or remedy hereunder, which may be had or exercised by Mortgagee, its successors or assigns.

48. The Mortgagor shall at all times during the term of this loan keep in force and effect an elevator maintenance contract satisfactory to Mortgagee with a professional contractor acceptable to Mortgagee and there shall be no termination or modification of such maintenance contract without the Mortgagee's prior written approval, provided that if no elevators exist on the Property this Section 48 shall be null and void.

49. Wherever used in this Mortgage, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein the word "lease" shall mean "tenancy subtenancy, lease and/or sublease," the "Mortgagor" shall mean Mortgagor and any subsequent owner or owners of the Premises," and if the Mortgagor consists of more than one party, such Mortgagors shall be jointly and severally liable under any and all obligations, covenants and agreements of the Mortgagor contained herein, the word "Mortgagee" shall mean "Mortgagee or any subsequent holder or holders of this Mortgage," the word "Note" shall mean "note, bond or other obligation secured by this Mortgage," and the word "person" shall mean "an individual, corporation, partnership or unincorporated association."

50. As an inducement to Mortgagee to make the loan evidenced by the Note which this Mortgage secures, Mortgagor covenants and agrees that during the term of this loan, title to the Premises described herein shall be vested solely in Mortgagor, and (except as permitted under the terms of Paragraph 42) if any time during the term, all or any part of said Premises or any interest therein shall, without the prior written consent of Mortgagee, be conveyed or transferred (whether voluntarily or by operation of law or otherwise), the indebtedness secured hereby shall, at the option of the Mortgagee, become immediately due and payable. If Mortgagor is a partnership, a change in a general partner shall be considered a change of ownership for purposes of this paragraph. If Mortgagor is a Trust, a change of Trustee (except for the appointment of a successor Trustee which is reasonably acceptable to Mortgagee) or a change of beneficial interest or, if Mortgagor is a corporation, a transfer of stock resulting in a change of controlling interest, shall be considered a change of ownership for the purposes of this paragraph.

51. From and after the Conversion Date, Mortgagor covenants that if there are any equipment leases ("Equipment Leases") used in the operation of the Premises, said Equipment Leases shall be assigned to Mortgagee. In the event that any default should occur under any Equipment Lease, the Mortgagor shall provide, within ten days of such default, written notice thereof to the Mortgagee. Further, the Mortgagor shall do all things needful to keep the Equipment Leases in full force and effect. If the Mortgagor defaults in the performance of any obligations imposed by any of Equipment Leases, the Mortgagee (at its option but without obligation to do so) at any time and from time to time, with or without notice to or demand upon the Mortgagor, may perform the same or any other obligation of the Mortgagor under the said Equipment Leases and pay such sums in such manner and to such extent as the Mortgagee, in its sole discretion, deems advisable to cure such default, without thereby waiving or curing any default hereunder. Mortgagee is hereby authorized for such purposes to enter upon the real property secured hereby and shall not be deemed

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guilty of trespassing in doing so. The Mortgagor covenants and agrees that it will pay on demand all sums so expended and any reasonable costs so incurred with interest thereon from the date of expenditure at the augmented rate set forth in the Note. It is further agreed that all sums so secured, costs so incurred and interest thereon shall be secured hereby. As to the right to cure contained in this paragraph so long as such cure by the Mortgagee is initiated and reasonably pursued thereafter, the Mortgagee may continue to so cure, and all Equipment Leases shall so provide.

52. From and after the Conversion Date, Mortgagor covenants that the following licenses, agreements or contracts shall be in full force and effect: (i) a Franchise License Agreement with Holiday Corporation; (ii) Hotel License(s) from the appropriate governmental agencies; and (iii) such other licenses, agreements or contracts as are necessary to operate the Premises as a Hampton Inn. All the instruments identified in (i), (ii), and (iii) shall hereinafter be referred to as the "Agreements," copies of which shall be delivered to Mortgagee prior to the Conversion Date. The Agreements shall be collaterally assigned to the Mortgagee, as additional security for the loan that is the subject of this instrument. None of the Agreements may be modified or terminated without the prior written consent of the Mortgagee. Further, Mortgagee shall be provided with written notice of any default under any of the Agreements and shall obtain from each of the other parties to said Agreements, a written promise to provide the Mortgagee herein with: (a) written notice of any default under the relevant Agreement; and (b) with the right to cure or cause to be cured any default under such Agreement, so long as the cure is initiated and reasonably pursued thereafter by the Mortgagee.

In the event that there is a default in the performance of any obligations imposed by the Agreements or any of them, the Mortgagee (at its option but without obligation so to do), at any time and from time to time, with or without notice, may perform the same or any other obligation required under the Agreements or any of them, and pay such sums in such manner and to such extent as the Mortgagee in its sole discretion, deems advisable to cure such default, without thereby waiving or curing any default hereunder. The Mortgagee is hereby authorized for such purposes to enter upon the Premises and shall not be deemed guilty of trespassing in so doing. The Mortgagor covenants and agrees that it will pay on demand all sums so expended and any reasonable costs so incurred with interest thereon from date of expenditure at the augmented rate set forth in the Note. It is further agreed that all sums so expended, costs so incurred and interest thereon shall be secured hereby.

53. ERISA. Mortgagor covenants, represents and warrants that (i) no assets of any employee benefit plan, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), as now or hereafter amended, will be used in the satisfaction, exercise or performance of any of the obligations, rights or transactions specified or contemplated herein or in the Note or in any of the other loan documents; (ii) the Premises does not now, and will not, constitute an asset of any such employee benefit plan; and (iii) notwithstanding any other provisions of this mortgage, Mortgagor will not sell, convey or transfer the Premises to any person or entity which at the time of such transfer does not satisfy the representations set forth in clauses (i) and (ii) above, regardless of whether any of the above described conditions arises by operation of law or otherwise.

54. Violation of ERISA. Without limitation on the rights and remedies of Mortgagee arising under this Mortgage, in the event that Mortgagor or any subsequent owner of the Premises or any part thereof shall at any time sell, convey or transfer or attempt to

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sell, convey or transfer the Premises or any part thereof in violation of the provisions of Paragraph 53 of this Mortgage, then Mortgagee shall, in addition to any other rights and remedies it may have at law or in equity or under this Mortgage, be entitled to a decree or order restraining and enjoining such sale, conveyance or transfer, and Mortgagor or such subsequent owner shall not plead in defense thereof that there would be an adequate remedy at law (it being hereby expressly acknowledged and agreed that damages at law would be an inadequate remedy for breach or threatened breach of the provisions of Paragraph 53 of this Mortgage).

55. From and after the Conversion Date, the holder of this Mortgage and the Note secured hereby agrees that it will not at any time bring any action, suit or proceedings against the maker hereof, its beneficiaries, or the constituent partners of the beneficiary, their successors or assigns, to recover a money judgment for repayment of the indebtedness secured hereby, except in an action to foreclose this Mortgage, and in such foreclosure action, the holder, for itself, its successors and assigns, by the acceptance of the Note and this Mortgage, waives its right to a deficiency judgment and agrees to look only to the security for the satisfaction of the foreclosure suit money judgment.

56. This Construction Mortgage and Security Agreement is executed by LASALLE NATIONAL BANK, a national banking association, not personally but as Trustee as aforesaid under the provisions of the Trust Agreement aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it is expressly understood and agreed that nothing herein or in the Note contained shall be construed as creating any liability in said LASALLE NATIONAL BANK personally to pay the 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 expressly waived by said Assignee.

57. The holder of this Mortgage shall have the irrevocable right to approve or disapprove the trust documents (and any proposed amendments thereto) of Trust No. 112136.

IN WITNESS WHEREOF, LASALLE NATIONAL BANK, a national banking association, not personally but as Trustee as aforesaid, has caused these presents to be signed by its Vice President, to be attested by its Assistant Secretary, and its corporate seal to be hereunto affixed as of the day and year first written above.

LASALLE NATIONAL BANK,  
a national banking association,  
not personally but as Trustee as  
aforesaid.

By: Amy Starr Drew  
Vice President

Assistant

ATTEST:

By: [Signature]  
Assistant Secretary

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s.s. 1987 JUL 24 AM 11:15

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I, Marla Framasin, a Notary Public in and for the county and state aforesaid, do hereby certify that Amy Starc Draw, the Vice President of LASALLE NATIONAL BANK, a national banking association, and Clifford Scott-Rudnick, the Assistant Secretary of said LASALLE NATIONAL BANK, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their free and voluntary act and as the free and voluntary act of said LASALLE NATIONAL BANK, as Trustee as aforesaid, for the uses and purposes therein set forth; and said ASSISTANT SECRETARY then and there acknowledged that he, as custodian of the corporate seal of said LASALLE NATIONAL BANK, did affix the corporate seal of said LASALLE NATIONAL BANK to said instrument as his own free and voluntary act and as the free and voluntary act of said LASALLE NATIONAL BANK, as Trustee as aforesaid, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 16 day of June, 1987.

Marla Framasin  
Notary Public

My commission expires:

4-28-91

THIS INSTRUMENT WAS PREPARED BY AND SHOULD BE RECORDED AND RETURNED TO:

Kevin M. Walsh, Esq.  
MONY Financial Services  
2310 Parklake Drive, N.E.  
Suite 550  
Atlanta, Georgia 30345

BOX 993 - HV

# UNOFFICIAL COPY

03-11-2010

81

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MLOA Construction Loan No. 170021-HO  
MLOA Loan No. 400033-HO

## SCHEDULE A

### LEGAL DESCRIPTION

That part of the West  $\frac{1}{2}$  of the N.W.  $\frac{1}{4}$  of the N.E.  $\frac{1}{4}$  of Section 30, Township 39 North, Range 12, East of the 3rd. P.M. described as follows: Commencing at the point of intersection of the South line of the N.W.  $\frac{1}{2}$  of the N.E.  $\frac{1}{4}$  of said Section 30 with a line which is 182.00 feet West of, as measured at right angles to and parallel with the East line of the West  $\frac{5}{8}$  of the N.W.  $\frac{1}{2}$  of the N.E.  $\frac{1}{4}$  of said Section 30; thence N. 0 01 18 West along said parallel line, a distance of 699.32 feet to the point of Beginning for the above described tract of land; thence N. 0 01 18 W. on aforesaid parallel line 123.26 feet to a point of curvature; thence Northwesterly along an Arc of a circle, convex to the Northeast, having a radius of 230.00 feet, the chord thereof having a Bearing of N. 12 36 11 W. and a length of 100.20 feet an Arc distance of 101.01 feet to a point of curve intersection; thence N. 0 01 18 W. a distance of 226.78 feet to a point; thence N. 89 58 42 E. for a distance of 38.45 feet to a point in the East line of the W.  $\frac{1}{2}$  of the N.W.  $\frac{1}{2}$  of the N.E.  $\frac{1}{4}$  of said Section 30, said point being 186.01 feet South, (as measured along the aforesaid East line) of the North line of the N.E.  $\frac{1}{4}$  of said Section 30; thence S. 0 00 21 E. a distance of 447.83 feet; thence S. 89 58 42 W. a distance of 16.50 feet to the point of Beginning, in Cook County, Illinois.

15-30-200-016

### ALSO

That part of the East  $\frac{1}{5}$  of the West  $\frac{5}{8}$  of the N.W.  $\frac{1}{2}$  of the N.E.  $\frac{1}{4}$  of Section 30, Township 39 North, Range 12 East of the 3rd. P.M. described as follows: Commencing at the S.E. corner of the West  $\frac{5}{8}$  of the N.W.  $\frac{1}{2}$  of the N.E.  $\frac{1}{4}$  of said Section 30, thence N. 0 01 18 W. along the East line of aforesaid West  $\frac{5}{8}$  for a distance of 690.50 feet to the point of Beginning for the above described tract of land; thence N. 0 01 18 W. along aforesaid East line of the West  $\frac{5}{8}$ , a distance of 447.83 feet to a point; said point being 185.33 feet South, (as measured along said East line of the W.  $\frac{5}{8}$ ) of the North line of the N.E.  $\frac{1}{4}$  of said Section 30; thence S. 89 58 42 W., 165.62 feet to a point in the East line of the W.  $\frac{1}{2}$  of the N.W.  $\frac{1}{2}$  of the N.E.  $\frac{1}{4}$  of said Section 30, said point being 186.01 feet South (as measured along aforesaid East line) of the N. line of said N.E.  $\frac{1}{4}$  of Sec. 30; thence S. 0 00 21 E. along aforesaid East line 447.83 feet to a point; thence N. 89 58 42 E for a distance of 165.50 feet to the point of Beginning, in Cook County, Illinois.

PERMANENT INDEX NO. 15-30-200-016-0000 (Partial)

22nd & Enterprise Drive  
Waukegan, Illinois

87407720

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08-27-2014