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MORTGAGE

\$35.00

26-26-714
P. 3

THIS MORTGAGE made July 30, 1987, by and between Harris Trust & Savings Bank, ~~In Illinois Corporation~~, authorized to accept and execute trusts in the State of Illinois, not personally, but as Trustee under the provisions of a deed or deeds in trust, duly recorded and delivered to said corporation in pursuance of a Trust Agreement dated July 15, 1987 and known as Trust No. 44089 (the "Mortgagor"), and WESTBANK/WESTCHESTER, an Illinois banking corporation doing business in Westchester, Illinois (the "Mortgagee"), WITNESSETH:

THAT, WHEREAS Mortgagor has concurrently herewith executed and delivered an installment note bearing even date herewith (the "Note") in the principal sum of Two Hundred Sixty Thousand and 00/100ths Dollars (\$260,000.00) made payable to Mortgagee in and by which Note Mortgagor promises to pay out of that portion of the trust estate subject to said Trust Agreement and hereinafter specifically described, the said principal sum and interest thereon at the rate and in installments as provided in the Note, with a final payment of the balance due on the 1st of August 1, 1990, all of said principal and interest being payable at such place as the holder or holders of the Note (the "Holders") may, from time to time, in writing appoint, and in absence of such appointment, then at the office of Mortgagee, One Westbrook Corporate Center in Westchester, Illinois, 60153.

NOW, THEREFORE, Mortgagor in consideration of said debt and to secure the payment of both principal and interest thereof, in accordance with the terms and provisions of the Note and in accordance with the terms, provisions and limitations of this mortgage, and to secure the performance of the covenants and agreements herein and in the Note contained, to be performed by Mortgagor, does by these presents MORTGAGE, GRANT, REMISE, RELEASE, ALIEN and CONVEY unto Mortgagee, its successors and assigns, the real estate described in Exhibit A attached hereto and made a part hereof and all of its estate, right, title and interest therein, situate, lying and being in the City of Chicago, County of Cook, and State of Illinois (commonly known as 6500-08 N. Claremont, in said City) which, with the property hereinafter described, is referred to as the "premises",

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TOGETHER with all improvements, tenements, easements, fixtures, and appurtenances thereto pertaining or belonging, and

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all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), and including but not limited to all shades, awnings, venetian blinds, screens, screen doors, storm doors and windows, stoves and ranges, curtain fixtures, partitions, attached floor covering, now or hereafter therein or thereon and all fixtures, apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air cooling, air conditioning, water, light, power, sanitation, sprinkler protection, waste removal, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing), all other fixtures, apparatus, equipment, furniture, furnishings, and articles used or useful in connection with the operation of an apartment building now or hereafter located upon said premises, it being understood that the enumeration of any specific articles of property shall in no way result in or be held to exclude any items of property not specifically mentioned. All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall for the purposes of this mortgage be deemed to be real estate and conveyed and mortgaged hereby. As to any of the property aforesaid which (notwithstanding the aforesaid declaration and agreement) does not so form a part and parcel of the real estate, this mortgage is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Mortgagee as Secured Party (as said term is defined in the Uniform Commercial Code), securing said indebtedness and obligations.

Mortgagor covenants that it is lawfully seized of the premises, that the same are unencumbered, and that it has good right, full power and lawful authority to convey and mortgage the same, and that it will ~~warrant~~ and forever defend said premises and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

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

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, Etc.

1. 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 the premises in good condition and repair, without waste, and free from mechanics' liens or other 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 on a parity with or superior to the lien hereof and comply with all requirements of all loan documents evidencing or securing such indebtedness, 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 or any improvements now or at any time in the process of erection upon the 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 the 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 variation or reclassification, without Mortgagee's written consent; (i) pay each item of indebtedness secured by this mortgage when due according to the terms hereof or of the Note.

Payment of Taxes

2. Mortgagor shall pay before any penalty attaches all general taxes, and 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 therefore. 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.

Tax Deposits

3. Mortgagor covenants and agrees to deposit at such place as Mortgagee may from time to time in writing appoint, and in the absence of such appointment, then at the office of Mortgagee in Westchester, Illinois, commencing on the 1st day of September, 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

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to be constructed, in which event the amount of such deposits shall be based upon Mortgagee's reasonable estimate as to the amount of taxes and assessments to be levied and assessed). Mortgagor, concurrently with the disbursement of the loan, will also deposit with Mortgagee an amount, based upon the taxes and assessments so ascertainable or so estimated by Mortgagee, as the case may be, for taxes and assessments on said premises, on the accrual basis, for the period from January 1, succeeding the year for which all taxes and assessments have been paid, to and including the 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, Mortgagor shall within ten (10) days after receipt of demand therefore, 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.

Insurance

4. Mortgagor shall keep all buildings and improvements now or hereafter situated on the premises insured against loss or damage by fire, tornado, windstorm and extended coverage perils 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 and is available from an agency of the United States of America. Mortgagor shall also provide liability insurance with such limits for personal injury and death and property damage 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 ten (10) days prior written notice to Mortgagee. Mortgagor shall deliver all policies, including additional and renewal policies, together with evidence of payment of premiums thereon, 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.

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Mortgagee's Interest in and Use of Deposits

5. In the event of a default in any of the provisions contained in this mortgage or in the Note, Mortgagee may at its option, without being required to do so, apply any monies at the time on deposit pursuant to any provision of this mortgage, as any one or more of the same may be applicable, on any of Mortgagor's obligation herein or in the Note contained, in such order and manner as Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the premises. Such deposits are hereby pledged as additional security for the indebtedness hereunder and shall be held 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 Mortgagor; provided, however, that neither Mortgagee nor said depository shall be liable for any failure to apply to the payment of taxes and assessments or insurance premiums 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 the particular taxes or assessments or the payment of the particular insurance premiums as the case may be for payment of which they were deposited, accompanied by the bills for such taxes and assessments or insurance premiums.

Adjustment of Leases with Insurer and Application of Proceeds of Insurance

6. In case of loss, 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 (a) to settle and adjust any claim under such insurance policies without consent of

Mortgagor, or (b) 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. If (a) Mortgagor is obligated to restore or replace the damaged or destroyed buildings or improvements under the terms of any lease or leases which are or may be prior to the lien of this mortgage, and (b) such damage or destruction does not result in cancellation or termination of such lease, and (c) the insurers do not deny liability as to the insureds, such proceeds, after deducting therefrom any expenses incurred in the collection thereof, shall be used to reimburse Mortgagor for the cost of rebuilding or restoration of buildings and improvements on said premises. In all other cases, such insurance proceeds may, at the option of Mortgagee, either be applied in payment or reduction of the indebtedness secured

Notwithstanding any provision of this Paragraph 6 to the contrary, in case of loss and provided that no event of default has occurred, then Mortgagee may settle casualty losses with the insurance company and Mortgagee may use all insurance proceeds to repair or rebuild the building and improvements.

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hereby, whether due or not, or be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoration of buildings or improvements on said premises. The buildings and improvements shall be so restored or rebuilt as to be of at least equal value and substantially the same character as prior to such damage or destruction. In the event Mortgagor is entitled to reimbursement out of insurance proceeds, such proceeds shall be made available, from time to time, upon Mortgagee's being furnished with satisfactory evidence of the estimated cost of completion thereof and with such architect's certificates, waivers of lien, contractors' sworn statements and other evidence of cost and of payments as Mortgagee may reasonably require and approve. If the estimated cost of the work exceeds ten percent (10%) of the original principal amount of the indebtedness secured hereby Mortgagee shall also be furnished with all plans and specifications for such rebuilding or restoration as the Mortgagee may reasonably require and approve. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed, from time to time, and at all times the undisbursed balance of said proceeds remaining in the hands of Mortgagee shall be at least sufficient to pay for the cost of completion of the work free and clear of liens.

In case of loss after foreclosure proceedings have been instituted, the proceeds of any such insurance policy or policies, if not applied as aforesaid in rebuilding or restoring the buildings or improvements, shall be applied in payment or reduction of the indebtedness secured hereby or in payment or reduction of 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 it 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 cancelled 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 the case of one or more redemptions under said decree, pursuant to the statute in such case made and provided, then and in every such case, each successive redepton may cause the preceding loss clause attached to each insurance policy to be cancelled and new loss clause to be attached thereto, making the loss thereunder payable to such redepton. In the event of foreclosure sale, Mortgagee is 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

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policies.

Stamp Tax

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

Prepayment Privilege

8. At such time as Mortgagor is not in default either under the terms of the Note or under the terms of this mortgage, Mortgagor shall have the privilege of making prepayments on the principal of the Note (in addition to the required payments) in accordance with the terms and conditions set forth in the Note.

Effect of Extensions of Time

9. 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 therefore, or interested in the premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release.

Effect of Changes in Laws Regarding Taxation

10. In the event of the enactment after this date of any law of the state in which the premises are located deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, 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 property, or the manner of collection of taxes, so as to affect this mortgage or the debt secured hereby or the Holders, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefore; provided, however, that if in the opinion of counsel for 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

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maximum amount permitted by law, then and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

Mortgagee's Performance of Defaulted Acts

11. In case of default therein, Mortgagee may, but need not, made any payment or perform any act herein or in any loan documents evidencing or securing the indebtedness secured hereby or any indebtedness secured by a prior encumbrance, required of Mortgagor, in any form and manner deemed expedient, and may, but need not, made full or partial payments of principal or interest on prior encumbrances, if any, and if this is a leasehold mortgage, make payments of any rents due or to become due or perform any act under any underlying lease, 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 the 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 post maturity rate. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor.

Mortgagee's Reliance on Tax Bills, Etc.

12. 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.

Acceleration of Indebtedness in Case of Default

13. If (a) default be made in the due and punctual payment of the Note, or any installment due in accordance with the terms thereof, either of principal or interest; or (b) Mortgagor or any Affiliated Person shall file a petition in voluntary bankruptcy or under Chapter X or Chapter XI 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 ten (10) days, as hereinafter provided; or (c) Mortgagor or any Affiliated Person shall be adjudicated a bankrupt, or a trustee or a receiver shall be appointed for Mortgagor or any Affiliated Person or for all of its property or the major part thereof in any involuntary proceeding, or any court shall have taken jurisdiction of the property of Mortgagor or any Affiliated Person or the major part thereof in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of Mortgagor or any Affiliated Person, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within ten (10) days; or (d) Mortgagor or any Affiliated Person 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 or any Affiliated Person and the same shall continue for three (3) days, then and in every such case the whole of said principal sum hereby secured shall, at once, at the option of Mortgagee, become immediately due and payable, together with accrued interest thereon, with ten (10) days written notice to Mortgagor.

Foreclosure, Expense of Litigation

14. When the indebtedness hereby secured, 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 or enforce any other remedy of Mortgagee under this mortgage or the Note, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraisers' 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 and value 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

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nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of the 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 the 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 post maturity rate and shall be secured by this mortgage.

It is agreed that if default be made in the payment of any part of the secured indebtedness, Mortgagee shall have the right to proceed with foreclosure proceeding in the satisfaction of said default as if under a full foreclosure, and without declaring the entire secured indebtedness due, and provided that if foreclosure sale is made because of default of a part of the secured indebtedness, such sale may be made subject to the unmatured part of the secured indebtedness; and it is agreed that such sale, if so made, shall not in any manner affect the unmatured part of the secured indebtedness, but as to such unmatured part of this mortgage shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this section. And it is further agreed that several foreclosure sales may be made hereunder without exhausting the right of foreclosure sale for any unmatured part of the secured indebtedness, it being the purpose to provide for a foreclosure sale of the secured indebtedness for any matured portion of the secured indebtedness without exhausting the power to foreclose and to sell the premises for any other of the secured indebtedness whether matured at the time or subsequently maturing.

Application of Proceeds of Foreclosure Sale

15. 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 the preceding paragraph 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.

Appointment of Receiver

16. 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 the 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 Mortgagee hereunder or any Holders may be appointed as such receiver. Such receiver shall have power: (a) to collect the rents, issues and profits of the 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; (b) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; and (c) 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) and if this is a leasehold mortgage, all rents due or which may become due under the underlying lease; (c) the deficiency in case of a sale and deficiency.

Assignment of Rents and Leases

17. To further secure the indebtedness secured hereby, Mortgagor hereby sells, assigns and transfers unto 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 Mortgagee under the powers herein

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granted, it being the intention hereby to establish an absolute transfer and assignment of all such leases and agreements, and all the avails thereunder, to Mortgagee. Mortgagor hereby irrevocably appoints Mortgagee its true and lawful attorney in its name and stead (with or without taking possession of the premises as provided in paragraph 19 hereof) to rent, lease or let all or any portion of the 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 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 the premises, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Mortgagee would have upon taking possession pursuant to the provisions of paragraph 19 hereof.

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 one installment in advance and that the payment of none of the rents to accrue for any portion of the said premises has been or will be waived, released, reduced, discounted or otherwise discharged or compromised by Mortgagor. Mortgagor waives any rights of set off against any person in possession of any portion of the premises. If any lease provides for the abatement of rent during repair of the premises demised thereunder by reason of fire or other casualty, Mortgagor shall furnish to Mortgagee rental insurance, the policies to be in amount and form and written by such insurance companies as shall be satisfactory to Mortgagee. Mortgagor agrees that it will not assign any of the rents or profits of the premises, except to a purchaser or grantee of the premises.

Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the taking of actual possession of the premises by Mortgagee pursuant to paragraph 19 hereof. In the exercise of the powers herein granted Mortgagee, no liability shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagor.

Mortgagor further agrees to assign and transfer to Mortgagee all future leases upon all or any part of the premises and to execute and deliver, at the request of Mortgagee, all such further assurances and assignments in the premises as Mortgagee shall from time to time require.

Although it is the intention of the parties that the assignment contained in this paragraph 17 shall be a present

assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Mortgagee shall not exercise any of the rights or powers conferred upon it by this paragraph until a default shall exist under this mortgage or the Note.

Observance of Lease Assignment

18. In the event Mortgagor, as additional security for the payment of the indebtedness described in and secured hereby, has sold, transferred and assigned, or may hereafter sell, transfer and assign, to Mortgagee, its successors and assigns, any interest of Mortgagor as lessor in any lease or leases, Mortgagor expressly covenants and agrees that if the lessee or any of the lessees under said lease or leases so assigned or Mortgagor, as lessor therein, shall fail to perform and fulfill any term, covenant, condition or provision in said lease or leases, or any of them, on its or their part to be performed or fulfilled, at the times and in the manner in said lease or leases provided, or if Mortgagor shall suffer or permit to occur any breach or default under the provisions of any assignment of any lease or leases of the premises given as additional security for the payment of the indebtedness secured hereby, then and in any such event, such breach or default shall constitute a default hereunder and at the option of Mortgagee, and without notice to Mortgagor, all unpaid indebtedness secured by this mortgage shall, notwithstanding anything in the Note or in this mortgage to the contrary, become due and payable as in the case of other defaults.

Mortgagee's Right of Possession in Case of Default

19. In any case in which under the provisions of this mortgage 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 condition broken. In such event 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 Mortgagor or then owner of the premises relating thereto, and may exclude Mortgagor, its agents or servants, wholly therefrom and may as attorney in fact or agent of 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, if any,

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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, and with full power: (a) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (b) to elect to disaffirm any lease or sublease which is then subordinate to the lien hereof; (c) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (d) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the premises as to it may seem judicious; (e) to insure and reinsure the same and all risks incidental to Mortgagor's possession, operation and management thereof; and (f) to receive all of such avails, rents, issues and profits; 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 Mortgagor.

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. Mortgagor shall and does hereby agree to indemnify and hold 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 the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it 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 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 Mortgagor shall reimburse Mortgagee therefore immediately upon demand.

Application of Income Received by Mortgagee

20. Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it by paragraph 17 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 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), established 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 the premises; and, if this is a leasehold mortgage, of all rents due or which may become hereafter due under the underlying lease;

(c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the premises, including the cost from time to time of installing or replacing refrigeration and gas or electric stoves therein, and of placing the premises in such condition as will, in the judgment of Mortgagee, make it readily rentable;

(d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

Mortgagee's Right of Inspection

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

Condemnation

22. 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

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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. If Mortgagor is obligated to restore or replace the damaged or destroyed buildings or improvements under the terms of any lease or leases which are or may be prior to the lien of this mortgage and if such taking does not result in cancellation or termination of such lease, the award shall be used to reimburse Mortgagor for the cost of the rebuilding or restoring of buildings or improvements on the premises, provided Mortgagor is not then in default under this mortgage. In the event Mortgagor is required or authorized by Mortgagee's election as aforesaid, or by virtue of any such lease, to rebuild or restore, the proceeds of the award shall be paid out in the same manner as is provided in paragraph 6 hereof for the payment of insurance proceeds toward the cost of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of rebuilding or restoration, Mortgagor shall pay such cost in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any other party entitled thereto. In applying the proceeds of any award on account of the indebtedness secured hereby, Mortgagee shall be entitled to collect, out of the proceeds of the award, a premium on the amount prepaid, at the same rate as though Mortgagor had elected at the time of such application of proceeds (or if Mortgagor then has no such election, at the first succeeding date on which Mortgagor could so elect) to prepay the indebtedness in accordance with the terms of the Note.

Release upon Payment and Discharge of Mortgagor's Obligations

23. If Mortgagor shall fully pay all principal and interest on the Note, and all other indebtedness secured hereby and comply with all of the other terms and provisions hereof to be performed and complied with by Mortgagor, then this mortgage shall be null and void. Mortgagee shall release this mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment of a reasonable fee to Mortgagee for the execution of such release.

Giving of Notice

24. Any notice which either party hereto may desire or be required to give to the other party shall be in writing and the

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mailing thereof by certified mail addressed to Mortgagor at Harris Trust & Savings Bank, 111 W. Monroe St., Chicago, Illinois 60690, Attention: Land Trust Department, or to Mortgagee at One Westbrook Corporate Center, Westchester, Illinois 60153, or at such other place as either party hereto may by notice in writing designate as a place for service of notice shall constitute service of notice hereunder.

Waiver of Defense

25. No action for the enforcement of the lien of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note.

Waiver of Statutory Rights

26. Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the 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. Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this mortgage on behalf of the Mortgagor, the trust estate, and all persons beneficially interested therein, and each and every person except decree or judgment creditors of Mortgagor in its representative capacity and of the trust estate acquiring any interest in or title to the premises subsequent to the date of this mortgage. The foregoing waiver of right of redemption is made pursuant to the provisions of Section 12-125 of the Illinois Code of Civil Procedure.

Transfer of Title

27. Mortgagor covenants and agrees that:

(a) it will not convey or transfer title to the premises or any portion thereof to any person or entity whatsoever, and

(b) it will not permit or consent to the transfer, assignment or disposition of the beneficial interest in the trust under which Mortgagor is trustee and acting hereunder, whether voluntarily or involuntarily,

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without Mortgagee's consent, and

(c) It will not permit or consent to the pledging as collateral security any of the collateral described herein for the purpose of making any other loans; or convey or transfer title to the premises or any portion thereof for said purpose; or permit or consent to the transfer, assignment or disposition of the beneficial interest in the trust under which Mortgagor is trustee and acting hereunder, whether voluntarily or involuntarily, for said purpose, without Mortgagor's consent.

In case of violation of the foregoing covenants and provisions, whether voluntarily or involuntarily, a default hereunder shall exist and Mortgagee at its option may declare the entire principal sum due under the note immediately due and owing and payable in full.

Mortgagor warrants that its sole beneficiary (Affiliated Person) is one individual and by the execution and delivery of the note and this mortgage, the said beneficiary agrees neither to assign, transfer nor dispose of any interest in said Trust, voluntarily or involuntarily, nor permit the assignment, transfer or disposition of the Beneficial Interest (whether in whole or in part or voluntarily or involuntarily) and that a breach of the foregoing provision, unless consented to in writing by Mortgagee, shall constitute a default, entitling Mortgagee to accelerate payment of the debt as hereinabove elsewhere provided.

Furnishing of Financial Statements to Mortgagee

upon Mortgagee's request

28. Mortgagor covenants and agrees to furnish to Mortgagee within sixty (60) days after the close of each fiscal year of Mortgagor and each Affiliated Person, commencing with the current fiscal year, a detailed audit report of Mortgagor and each Affiliated Person containing a balance sheet and statements of the income and surplus accounts as at the close of such fiscal year. Said audit report shall be prepared in accordance with accepted principles of accounting, after giving effect to all proper income charges and using the same methods of valuation as were employed in and consistent with the basis of the balance sheet of Mortgagor and each Affiliated Person for the fiscal year ended immediately preceding the date of this mortgage, and shall be prepared by (and accompanied by the certificate of) an independent certified public accountant of recognized standing, acceptable to Mortgagee. Said report shall also contain such detail regarding the premises and its operation as Mortgagee may require, including and not by way of limitation income and other revenues and expenses and expenditures of the premises, and the

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for the Real Estate

When requested by Mortgagee, Mortgagor and each Affiliated Person shall furnish to Mortgagee within sixty (60) days after the end of each quarter of each fiscal year, a copy of the operating report ~~containing a balance sheet and statements of the income and surplus accounts, all in reasonable detail and certified by an authorized officer of Mortgagor and each Affiliated Person.~~ In the event of default by Mortgagor or any Affiliated Person in the performance of any covenant or condition contained in this mortgage or the Note or any other instrument given to secure the Note, Mortgagor and each Affiliated Person shall promptly furnish Mortgagee with additional financial statements, in reasonable detail ~~and certified as aforesaid,~~ when requested by Mortgagee.

pertaining to the Real Estate and its operation

Post Maturity Rate

29. "Post maturity rate" as used herein shall mean the Default Rate as defined in the Note.

Binding on Successors and Assigns

30. This mortgage and all provisions hereof, shall be binding upon Mortgagor and all persons claiming under or through Mortgagor, and shall inure to the benefit of the Holders from time to time and of the successors and assigns of the Mortgagee.

Definitions of "Mortgagor," "Mortgagee" and Affiliated Persons"

31. The word "Mortgagor" when used herein shall include: (a) the original Mortgagor named in the preambles hereof; (b) said original Mortgagor's successors and assigns; and (c) all owners from time to time of the premises. The words "Affiliated Persons" when used herein shall mean any and all of: (a) the beneficiaries of the trust of Mortgagor, including the general partners of any general or limited partnership which is a beneficiary of the trust; and (b) if Mortgagor is a general or limited partnership, the general partners thereof. The words "Holders" and "Mortgagee" when used herein shall include all successors and assigns of the original holders and Mortgagee identified in the preambles hereof.

Captions

32. The captions and headings of various paragraphs of this mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

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Subrogation

33. To the extent that proceeds of the Note are used to pay indebtedness secured by any outstanding lien, charge or prior encumbrance against the premises and such proceeds have been advanced by Mortgagee at Mortgagor's request, Mortgagee shall be subrogated to any and all rights and liens owned by any owner or holder of such outstanding liens, charges or encumbrances, irrespective of whether said liens, charges or encumbrances, are released and, it is expressly understood that in consideration of the payment of such indebtedness by Mortgagee, Mortgagor hereby waives and releases all demands and causes of action for offsets, payments and rentals to, upon and in connection with the said indebtedness.

Mortgagee's Lien for Service Charge and Expenses

34. At all times, regardless of whether any loan proceeds have been disbursed, this mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of any and all loan commissions, service charges, liquidated damages, expenses and advances due to or incurred by Mortgagee in connection with the loan to be secured hereby, all in accordance with the application and loan commitment issued in connection with this transaction.

Business Loan Recital

35. Mortgagor represents and agrees that the obligation secured hereby is an exempted transaction under the Truth-In-Lending Act 15 U.S.C. Sec. 1601; a business loan which comes within the purview of subparagraph (c) of Section 4 of "An Act in relation to the rate of interest and other charges in connection with sales on credit and the lending of money," approved May 24, 1879, as amended (Ill.Rev.Stats., Ch.74, Sec.4(c)), and the proceeds of the obligation secured hereby will not be used for the purchase of registered equity securities within the purview of Regulation "G" issued by the Federal Reserve System.

Execution of Separate Security Agreement, Financing Statements, etc.

36. Mortgagor, and its beneficiary, upon request by Mortgagee from time to time, shall execute, acknowledge and deliver to Mortgagee a Security Agreement, Financing Statement or other similar security instruments, in form satisfactory to Mortgagee, covering all property of any kind whatsoever owned by Mortgagor which in the sole opinion of Mortgagee is essential to the operation of the mortgaged premises and which constitutes goods within the meaning of the Uniform Commercial Code or

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concerning which there may be any doubt whether the title to same has been conveyed by or security interest perfected by this Mortgage under the laws of the state in which the premises are located, and will further execute, acknowledge and deliver any financing statement, affidavit, continuation statement or certificate or other document as Mortgagee may request in order to perfect, preserve, maintain, continue and extend the security interest under and the priority of this mortgage and such security instrument. Mortgagor further agrees to pay to Mortgagee on demand all costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing and re-filing of any such document.

Partial Invalidity; Maximum Allowable Rate of Interest

37. Mortgagor and Mortgagee intend and believe that each provision in this mortgage and the Note comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this mortgage or the Note is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this mortgage and the Note to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Mortgagor and Mortgagee that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this mortgage and the Note shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Mortgagor and Mortgagee under the remainder of this mortgage and the Note shall continue in full force and effect. All agreements herein and in the Note are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance of the Note, or otherwise, shall the amount paid or agreed to be paid to the Holders for the use, forbearance or detention of the money to be advanced hereunder exceed the highest lawful rate permissible under applicable usury laws. If, from any circumstances whatsoever, fulfillment of any provision hereof or of the Note or any other agreement referred to herein, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity and if from any circumstance the Holders shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which

would be excessive interest shall be applied to the reduction of the unpaid principal balance due under the Note and not to the payment of interest.

THIS MORTGAGE is executed by Harris Trust & Savings Bank, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee and said Corporation hereby warrants that it possesses full power and authority to execute this instrument, and it is expressly understood and agreed that nothing herein or in said principal note contained shall be construed as creating any liability on Mortgagor or on said Corporation personally to pay the said installment note or any interest that may accrue thereon, or any indebtedness accruing thereunder, or to perform any covenant either express or implied herein contained (it being understood and agreed that each of the provisions hereof, except the warranty hereinabove contained in this execution clause, shall constitute a condition and not a covenant or agreement, regardless of whether the same may be couched in language of a promise or covenant or agreement), all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as Mortgagor and its successors and said Corporation personally are concerned, the Holders and the owner or owners of any indebtedness accruing hereunder shall look solely to any one or more of: (1) the premises and the rents, issues and profits thereof, for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in the Note provided; (2) any other security given to secure said indebtedness; or (3) the personal liability of the guarantor, if any. Nothing herein contained shall be construed to prevent Mortgagee from exercising and enforcing any other remedy allowed by law or statute or by the terms of the mortgage or any other security instrument to enforce the terms of this mortgage or the Note or the other security instrument.

IN WITNESS WHEREOF, Harris Trust & Savings Bank, not personally but as Trustee as aforesaid, has caused these presents to be signed by its _____ VICE PRESIDENT _____, and its corporate seal to be hereunto affixed and attested by

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its Assistant Secretary the day and year first above written.

HARRIS TRUST & SAVINGS BANK,
not personally, but as Trustee
as aforesaid

BY [Signature]
Its VICE PRESIDENT

ATTEST:

[Signature]
Its Secretary

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Property of Cook County Clerk's Office

This instrument was prepared by: MAIL 701

Ronald S. Bailis
One Westbrook Corporate Center
Westchester, IL 60153

BOX 333-WJ

Box 333

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EXHIBIT "A"

Lots 57 and 58 in Arthur Avenue Subdivision of 26 Acres of the South West 1/4 of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian According to the Plat thereof recorded January 4, 1922, as Document 7366967 in Cook County, Illinois.

Address Commonly Known As: 6500-08 N. Claremont
Chicago, Illinois

P.I.N. No.: 11-31-304-004-0000

all

EBC

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