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MORTGAGE AND SECURITY AGREEMENT

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Property of Cook County Clerk's Office

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (hereinafter referred to as the "Mortgage") made and entered into as of the 1st day of October, 1987, by and between LaSalle National Bank, not personally but solely as Trustee under Trust Agreement dated May 1, 1979 and known as Trust No. 100995 (being hereinafter referred to as "Mortgagor"), whose mailing address is 135 South LaSalle Street, Chicago, Illinois 60690, and PROVIDENT NATIONAL ASSURANCE COMPANY, a Tennessee corporation, whose mailing address is One Fountain Square, Chattanooga, Tennessee 37402, Attention: Mortgage Loan Department, (being hereinafter referred to as "Mortgagee").

W I T N E S S E T H:

That for good and valuable consideration, and to secure the payment of a Note of even date herewith executed by Mortgagor in the principal amount of One Million Nine Hundred Thousand Dollars (\$1,900,000) together with any extensions, modifications, or renewals thereof (hereinafter referred to as the "Note") due and payable on December 1, 1992, as specified in the Note, payable to the order of PROVIDENT NATIONAL ASSURANCE COMPANY, together with interest thereon or so much thereof as may be advanced at the rate specified therein, a copy of which Note is attached hereto as Exhibit A and incorporated herein and made a part hereof by this reference with the same effect as if set forth at length, and to secure any other indebtedness by Mortgagor to Mortgagee now or hereafter arising under the terms hereof or in any other instrument constituting additional security for the Note, and to secure the performance by Mortgagor of all the terms, covenants and agreements on Mortgagor's part to be performed under the Note, this Mortgage, that certain Assignment of Leases and Rents of even date, executed by Mortgagor concurrently herewith, and any other instrument now or hereafter executed by Mortgagor as security for payment of the indebtedness secured hereby, and to secure the performance by any guarantor of its obligations under any guaranty given to further secure the payment of the indebtedness hereby secured or the performance of any obligation secured hereby (all of the aforesaid instruments being hereafter collectively called the "Security Documents"), Mortgagor does hereby irrevocably GRANT, RELEASE, REMISE, ALIEN, MORTGAGE AND CONVEY unto Mortgagee, with right of entry and possession to the full extent permitted by law (but not otherwise), the real estate described in Exhibit B attached hereto and incorporated herein (herein called the "Real Estate") and, which, with the rights and property hereinafter described, is referred to herein as the "Premises";

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TOGETHER WITH THE FOLLOWING (which for the purposes hereof shall be deemed part of, and shall be included within the definition of, "Premises"):

(a) All buildings and improvements, now or hereafter located thereon (herein called the "Improvements"), all privileges and other rights now or hereafter made appurtenant thereto including, without limitation, all right, title and interest of Mortgagor now owned or hereafter acquired in and to all streets, roads and public places, opened or proposed, and all easements and rights-of-way, public or private, now or hereafter used in connection with the Real Estate and Improvements; and

(b) All right, title and interest of Mortgagor in and to all fixtures, fittings, furnishings, appliances, apparatus, equipment, machinery and other articles or attachments now or hereafter forming part of, attached to or incorporated in any Improvements on the Real Estate, and all replacements for such items, and all gas and electric fixtures, radiators, heaters, engines and machinery, boilers, elevators and motors, sinks, water closets, basins, pipes, faucets and other air-conditioning, plumbing and heating fixtures, mirrors, refrigerating plant, carpeting, furniture and all building materials, supplies and equipment now or hereafter delivered to the Premises and intended to be installed therein; all other fixtures and personal property of whatever kind and nature at present contained in or hereafter placed in any Improvements standing on the Real Estate or used or useful in connection therewith, including, but not limited to, those items of personal property which are listed on Exhibit C, if any, attached hereto and made a part hereof; such other goods, equipment, chattels and personal property as are usually furnished by landlords in letting premises of the character hereby conveyed; and all renewals or replacements thereof or articles in substitution thereof; and all proceeds and profits thereof and all of the right, title and interest of the Mortgagor in and to all property of any nature whatsoever, now or hereafter situated on the Real Estate or intended to be used in connection with the operation thereof or the Improvements shall be deemed to be fixtures and an accession to the freehold and a part of the Real Estate as between the parties hereto, and all persons claiming by, through or under them and shall be deemed to be a portion of the security for the indebtedness herein mentioned and secured by this Mortgage. If the lien of this Mortgage

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on any fixtures or personal property be subject to a lease agreement, conditional sale agreement or chattel mortgage covering such property, then in the event of any default hereunder all the rights, title and interest of the Mortgagor in and to any and all deposits made thereon or therefor are hereby assigned to the Mortgagee, together with the benefit of any payments now or hereafter made thereon. There is also transferred, set over and assigned by Mortgagor to Mortgagee, its successors and assigns, hereby all leases and use agreements of machinery, equipment and other personal property of Mortgagor in the categories hereinabove set forth, under which Mortgagor is the lessee of, or entitled to use, such items, and Mortgagor agrees to execute and deliver to Mortgagee specific separate assignments to Mortgagee of such leases and agreements when requested by Mortgagee; but nothing herein shall obligate Mortgagee to perform any obligations of Mortgagor under such leases, or agreements unless it so chooses, which obligations Mortgagor hereby covenants and agrees to well and punctually perform. The items set forth in this paragraph (b) are sometimes hereinafter separately referred to as "Collateral".

(c) All rents, income, profits, revenues, royalties, bonuses, rights, accounts, contract rights, general intangibles and benefits under any and all leases or tenancies now existing or hereafter created on the Real Estate, Improvements or Collateral or any part thereof, with the right, after an Event of Default, to receive and apply the same to such indebtedness, and, after an Event of Default, Mortgagee may demand, sue for and recover such payments but shall not be required to do so;

(d) All interest which Mortgagor has or may hereafter have in the proceeds of insurance in effect with respect to the Real Estate Improvements and/or collateral;

(e) Any judgments, awards of damages and settlements hereafter made as a result of or in lieu of any taking of the Premises or any part thereof or interest therein under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Real Estate, Improvements and/or Collateral or any part thereof or interest therein, including any award for change of grade of streets;

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(f) All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims; and

(g) All leases, easements, appurtenances and rights of way affecting the Real Estate, Improvements and/or Collateral or in any way related thereto.

TO HAVE AND TO HOLD the Premises and each and every part thereof unto such Mortgagee, its successors, substitutes and assigns forever, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois (which rights and benefits are hereby expressly released and waived), for the uses and purposes herein set forth, together with all rights to retain possession of the Premises after any default in the payment of all or any part of the indebtedness hereby secured, or the breach of any covenant or agreement herein contained, or upon the occurrence of any Event of Default hereunder.

This instrument is and shall be construed as both a Mortgage and as a Security Agreement under the Uniform Commercial Code of the State of Illinois (the Code"); and to the extent that any of the Premises, including but without limitation, the Collateral, is deemed to be personal property or fixtures or property not subject to an encumbrance upon real estate, Mortgagor hereby grants unto Mortgagee a security interest in and to such property.

PROVIDED, however, that if Mortgagor shall pay or cause to be paid to the holder of the Note the principal and interest and prepayment premium, if any, to become due thereupon at the time and in the manner stipulated therein, and shall pay or cause to be paid all other sums payable hereunder and all indebtedness hereby secured, then, in such case, the estate, right, title and interest of Mortgagee in the Premises shall cease, terminate and become void, and upon proof being given to the satisfaction of Mortgagee that the Note, together with interest and prepayment premium, if any, thereon have been paid or satisfied, and upon payment of all fees, costs, charges, expenses and liabilities chargeable or incurred or to be incurred by Mortgagee, and of any other sums as herein provided, this conveyance shall be released in due form at the expense of Mortgagor, otherwise it shall remain in full force and effect.

ARTICLE I

MORTGAGOR'S COVENANTS

Mortgagor covenants and agrees with Mortgagee that:

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1.01 Title.

Mortgagor represents that it has good and indefeasible title to an indefeasible fee simple estate in the Real Estate and Improvements and good right and title to all other of the Premises, subject to no liens, charges, or encumbrances except for the matters set forth in Exhibit D attached hereto and incorporated herein (hereinafter referred to as the "Permitted Exceptions"); that Mortgagor has full power and authority to grant, bargain, sell, convey, mortgage and encumber the Premises in the manner and form herein done or intended hereafter to be done; that this Mortgage is and shall remain a valid and enforceable first lien on the Premises subject only to any Permitted Exceptions; that Mortgagor and its successors and assigns agree to defend the same forever against the lawful claims and demands of all persons or entities whatsoever; and that this covenant shall not be extinguished by any foreclosure or sale hereof but shall run with the land.

Subject to the Permitted Exceptions, or as permitted by paragraph 1.11 hereof, Mortgagor has and shall maintain title to the Collateral, including any additions or replacements thereto, free of all security interests, liens and encumbrances, other than the security interest hereunder and other than as disclosed to and accepted by Mortgagee in writing, and has good right to subject the Collateral to the security interest hereunder.

Mortgagor shall, at the cost of Mortgagor, and without expense to Mortgagee, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as Mortgagee shall from time to time require for the better assuring, conveying, assigning, transferring, mortgaging, encumbering and confirming unto Mortgagee the Premises, including all property and rights hereby conveyed, assigned, mortgaged and encumbered or intended now or thereafter so to be or which Mortgagor may be or may hereafter become bound to convey, assign, mortgage or encumber to Mortgagee or for carrying out the intention of facilitating the performance of the terms of the Security Documents or for filing, registering or recording the Security Documents and, on demand, shall execute and deliver, and hereby authorizes the Mortgagee to execute in the name of Mortgagor to the extent it may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Collateral and other portions of the Premises now or hereafter acquired. Mortgagor shall give advance notice in

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writing to Mortgagee of any proposed change in Mortgagor's name, identity, or structure and shall execute and deliver to Mortgagee, prior to or concurrently with the occurrence of any such change, all additional financing statements that Mortgagee may require to establish and maintain the validity and priority of Mortgagee's security interest with respect to any of the Premises.

Mortgagor forthwith upon the execution and delivery of this Mortgage and thereafter from time to time, shall cause this Mortgage, and any security instrument creating a lien or evidencing the lien hereof upon the Collateral and other parts of the Premises and each instrument of additional security to be filed or recorded in such manner and in such place as may be required by any present or future law in order to publish notice of and fully protect the lien hereof upon, and the interest of Mortgagee in, the Premises and the Collateral.

Mortgagor shall pay all filing or recording fees, and all reasonable expenses incident to the preparation, execution and acknowledgment of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Collateral or other parts of the Premises, and any instrument of additional security, and all federal, state, county and municipal stamp taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Note, this Mortgage, any mortgage supplemental hereto, any such security instrument or any instrument of further assurance.

Mortgagor shall do all things necessary to comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental authority or court applicable to the Mortgagor or to the Premises or any part thereof.

1.02 Payment of Note and Escrow Account.

(a) Mortgagor shall promptly and punctually pay all principal and interest, prepayment premium, and all other sums to become due in respect of the Note, according to the true intent and meaning thereof; and further Mortgagor shall pay to Mortgagee, together with and in addition to the monthly payments of principal and/or interest payable under the terms of the Note secured hereby, on the date set forth therein for the making of monthly payments, until such Note is fully paid, a sum, as estimated by Mortgagee, equal to the taxes and special assessments next due on the Premises covered by this Mortgage, plus the premiums that will next become

due and payable on insurance policies as may be required under paragraph 1.05 hereof, less all sums already paid therefor, divided by the number of months to elapse before one (1) month prior to the date when such premiums, taxes and special assessments will become due, such sums to be held by Mortgagee to pay such premiums, taxes and special assessments or, upon presentation of receipted bills therefor, to reimburse Mortgagor for such payments made by Mortgagor. Such payments, hereinafter referred to as "Reserves", are to be held without any allowance of interest or dividend to Mortgagor and need not be kept separate and apart from other funds of Mortgagee. Mortgagor agrees to deliver to Mortgagee all bills and notices relating to such taxes, special assessments, and insurance policies within seven (7) days of Mortgagor's receipt of same. Mortgagee shall not be liable for any failure to apply to the payment of taxes, assessments or insurance premiums any amounts deposited as Reserves unless Mortgagor, while no default exists hereunder and within a reasonable time prior to the due date, shall have requested Mortgagee in writing to make application of the Reserves on hand to the payment of the particular taxes, assessments or insurance premiums for the payment of which such Reserves were made, accompanied by the bills therefor. All payments required under this paragraph and all payments to be made under the Note secured hereby shall be added together and the aggregate amount thereof shall be paid by Mortgagor each month in a single payment to be applied by Mortgagee to the following items in the order set forth: (i) such taxes, special assessments, fire and other hazard insurance premiums; (ii) indebtedness hereby secured other than principal and interest on the Note; (iii) interest on the Note secured hereby; and (iv) the amount required to amortize the principal of such Note (if any is then due).

The arrangement provided for in this paragraph 1.02 is solely for the added protection of Mortgagee and entails no responsibility on Mortgagee's part beyond the allowing of due credit, without interest, for the sums actually received by it. Upon assignment of this Mortgage or sale of the Note secured by this Mortgage by the Mortgagee to any third party ("Assignee"), any funds on hand shall be turned over to the Assignee and any responsibility of Mortgagee with respect thereto shall terminate. 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 so to do, apply any Reserves on hand on any of the indebtedness hereby secured, in such order and manner as Mortgagee may

elect. When the indebtedness hereby secured has been fully paid, then any remaining Reserves shall be paid to Mortgagor. All Reserves are hereby pledged as additional security for the indebtedness hereby secured, and shall be held in trust to be irrevocably applied for the purpose for which made as herein provided, and shall not be subject to the direction or control of Mortgagor.

(b) If the total of the Reserves, described in paragraph 1.02(a) hereof, shall exceed the amount of payments actually applied by Mortgagee as set forth in paragraph 1.02(a), such excess may be credited by Mortgagee on subsequent payments to be made by Mortgagor or, at the option of Mortgagee, refunded to Mortgagor or its successors in interest as may appear on the records of Mortgagee. If, however, the Reserves shall not be sufficient to pay the sums required when the same shall become due and payable, Mortgagor shall immediately deposit with such Mortgagee the full amount of any such deficiency. If there shall be a default under any of the provisions of this Mortgage, Mortgagee may apply, at any time, the balance then remaining in the funds accumulated under this paragraph 1.02 against the amounts due and payable under the Note, hereby or under any instrument constituting additional security for such Note.

1.03 Maintenance and Repair.

Mortgagor shall keep the Premises in good operating order, repair and condition and shall not commit or permit any waste thereof. Mortgagor shall make all repairs, replacements, renewals, additions and improvements and complete and restore promptly and in good workmanlike manner any buildings or improvements which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor. Mortgagor shall not remove from the Premises or demolish any of the property conveyed hereby, or make any material alterations in the Premises, or alter the use of the Premises or any part thereof without the prior written consent of Mortgagee. Mortgagor shall permit Mortgagee or its agents the opportunity to inspect the Premises, including the interior of any structures, at any reasonable time.

1.04 Compliance with Laws and Covenants.

Mortgagor shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting such Premises or the operation thereof, and shall pay all fees or charges of any kind in connection therewith. Mortgagor shall comply with all restrictions and covenants of record affecting the Premises or the use thereof.

1.05 Insurance.

(a) Mortgagor shall keep all buildings, improvements and Collateral now or hereafter situated on the Premises insured against loss or damage by fire and other hazards as may be required by Mortgagee, including, without limitation, flood insurance in the event the Premises fall within a flood hazard area as defined by the Flood Hazard Boundary Map published by the Federal Insurance Administration which operates under The Flood Disaster Protection Act of 1973. Mortgagor shall also provide liability insurance with such limits for personal injury and death and property damage as Mortgagee may reasonably require.

(b) Unless and until Mortgagee shall otherwise require in writing, Mortgagor shall maintain not less than the highest insurable amount of paid-up fire and extended coverage insurance on the Premises and shall include loss from windstorm and hail, and include a replacement cost endorsement. Co-insurance requirements, if any, are limited to 80% or 90% or an agreed amount endorsement must be attached. The maximum deductible allowable in the policy will be \$5,000 and the policy must contain a standard mortgagee clause [with a thirty (30) day notice provision for any cancellation, including non-payment of premium] in favor of Mortgagee as follows: Provident National Assurance Company, c/o Mid-North Financial Services, Inc., 205 West Wacker Drive, Suite 202, Chicago, Illinois 60606. The policy must contain a provision to the effect that any waiver of subrogation rights by the insured does not void the coverage and any other special endorsements as may be required by the terms of any leases assigned as security for the indebtedness secured by this Mortgage.

In addition to the above insurance, Mortgagor shall maintain: (i) Rental Value Insurance equal to at least 12 months rent from all leases or sub-leases and include the amount of any expense reimbursements to be made by any tenant of the Premises; (ii) if owner-occupied, then Business Interruption Insurance will be required in an amount equal to the sum necessary to make the mortgage payments, pay real estate taxes and hazard insurance premiums, and provide for adequate cleaning, lighting and maintenance of the Premises for a period of 12 months; (iii) comprehensive general liability insurance in the amount of at least One Million Dollars (\$1,000,000) combined single limit for

bodily injury and property damage; (iv) during the making of any alterations or improvements to the Premises (A) insurance covering claims based on the owner's contingent liability not covered by the owner's liability insurance required hereunder, and (B) workmen's compensation insurance covering all persons engaged in making such alterations or improvements; and (v) if any part of the Premises is now or hereafter used for the sale or dispensing of beer, wine, spirits or any other alcoholic beverages, so-called "dram shop" or "innkeeper's liability" insurance against claims or liability arising directly or indirectly to persons or property on account of such sale or dispensing of beer, wine, spirits or other alcoholic beverages, including in such coverage loss of means of support, all in amounts as may be required by law or as Mortgagee may specify, but in no event less than \$3,000,000 single limit coverage. A certificate as to liability coverage, as distinguished from submission of original policies, will be acceptable.

The casualty insuring company must meet the following basic requirements: (i) minimum rating according to Best's Key Rating Guide for Property - Liability of A; (ii) stock company or non-assessable mutual company and the insuring company must be either American, Canadian, or British; (iii) must be licensed to do business in the state in which the Premises is located; (iv) not more than 10% of the policyholder's surplus will be acceptable on any one risk; (v) all policies and endorsements must be manually signed.

Mortgagor shall deliver all policies and certificates, including additional and renewal policies, to Mortgagee, or other evidence of the existence of such insurance which is satisfactory 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.

(c) Any provision herein to the contrary notwithstanding, Mortgagee may require such other or additional insurance as it shall from time to time deem necessary or advisable in its reasonable discretion.

(d) Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a Standard Mortgagee Clause acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the policy or policies of such insurance.

1.06 Casualty.

Mortgagor shall promptly notify Mortgagee of any loss, whether covered by insurance or not. In case of loss or damage by fire or other casualty, Mortgagee is authorized at its option either (i) to settle and adjust any claim under insurance policies which insure against such risks, without the consent of Mortgagor, or (ii) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid in regard to such loss; provided that Mortgagor may itself adjust losses aggregating not in excess of five thousand dollars (\$5,000.00). In either case, Mortgagee is authorized to collect and receipt for any such insurance money. Such insurance proceeds may, at the option of Mortgagee, in the event of a total loss, be applied in the reduction of the indebtedness secured hereby, whether due or not; if less than a total loss, such proceeds shall be held by Mortgagee without any allowance of interest, and if an uncured Event of Default does not then exist and if no condition then exists which will, with the passage of time, the giving of notice, or both, constitute an Event of Default, shall be used to reimburse Mortgagor for the cost of rebuilding or restoration of the buildings or improvements on the Premises upon the terms and conditions contained in this paragraph 1.06 ii, but only if: (i) Mortgagor demonstrates to Mortgagee that the Premises can be restored to an economically feasible operation, (ii) such proceeds are sufficient to complete the rebuilding or restoration or, if insufficient, that Mortgagor has funds which, together with available proceeds, are sufficient to complete such rebuilding or restoration and (iii) Mortgagor satisfies such other conditions to the use of such proceeds to reimburse Mortgagor as Mortgagee may reasonably impose thereon. If Mortgagee makes such proceeds available to reimburse Mortgagor for the cost of the rebuilding or restoration of the buildings or improvements on such Premises, such proceeds shall be made available in the manner and under the conditions that Mortgagee may require, including without limitation: (i) that in the event such proceeds shall be insufficient to restore or rebuild the improvements, Mortgagor shall deposit promptly with Mortgagee funds which, together with such proceeds, shall be sufficient in Mortgagee's judgment to restore and rebuild the property; (ii) that Mortgagor shall use its best efforts to obtain a waiver of the right of subrogation from any insurer under such policies of insurance who, at that time, claims that no liability exists as to Mortgagor or the then owner or the insured under such policies; (iii) that the excess of such proceeds above the amount necessary to complete such restoration and compensate Mortgagor for all other losses shall be applied at Mortgagee's option on account of the

indebtedness or obligation hereby secured (in inverse order of maturity without payment of any prepayment premium); (iv) Mortgagor shall have delivered to Mortgagee and Mortgagee shall have reviewed and approved in writing the plans and specifications for the restoration work and the same shall have been approved by all governmental authorities having jurisdiction; (v) Mortgagor shall have furnished to Mortgagee for Mortgagee's approval a detailed budget and cost breakdown for said restoration work signed by Mortgagor and describing the nature and type of expenses and amounts thereof estimated by Mortgagor for said restoration work including, but not limited to, the cost of material and supplies, architect and designer fees, general contractor's fees, and the anticipated monthly disbursement schedule, and Mortgagee shall have given to Mortgagor written approval of such budget and cost breakdown (if Mortgagor determines that its actual expenses differ from its estimated budget, it will so advise Mortgagee promptly); (vi) in Mortgagee's reasonable judgment, such restoration work can be completed prior to the maturity of the Note; and (vii) Mortgagor shall have furnished to Mortgagee evidence satisfactory to Mortgagee that such insurance proceeds, together with the proceeds to be received under the rental value insurance policies required to be maintained under Section 1.05 hereof, shall be sufficient to restore or rebuild the improvements and to fund any operating deficit with respect to the Premises during the period commencing with the date of loss and continuing until 95% of the Premises is leased at rents not less than those that were in effect prior to the casualty, provided that if such proceeds shall be insufficient, Mortgagor shall promptly deposit with Mortgagee funds which, together with such proceeds, shall be sufficient in Mortgagee's judgment to restore and rebuild the Premises and to fund such operating deficits. In the event any of the conditions described above are not or cannot be satisfied, then such proceeds shall be disposed of as otherwise provided in this paragraph 1.05. Under no circumstances shall Mortgagee become obligated to take any action to restore the Premises.

All proceeds released or applied by Mortgagee to the restoration of the improvements pursuant to the provisions of this paragraph 1.06 shall be released and/or applied on the cost of restoration (including within the term "restoration" any repair, reconstruction or alteration) as such restoration progresses, in amounts which shall equal ninety percent (90%) of the amounts from time to time certified by an architect approved by Mortgagee to have been incurred in such restoration of any kind and all of said property [i.e., ninety percent (90%) of the total amount expended by the contractor for the project under a contract approved by Mortgagee and billed by the contractor to Mortgagor] and

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performed by a contractor reasonably satisfactory to Mortgagee and who shall furnish such corporate surety bond, if any, as may be reasonably required by Mortgagee, in accordance with the plans and specifications therefor previously approved by Mortgagee and the remaining ten percent (10%) upon completion of such restoration and delivery to Mortgagee of evidence reasonably satisfactory to Mortgagee that no mechanics' lien exists with respect to the work of such restoration; that the restoration work has been completed in accordance with plans and specifications for said work approved by Mortgagee; that all of the leases referred to in the preceding paragraph are in full force and effect, with all tenants in occupancy and paying full lease rental thereunder; and that all governmental approvals required for the completion of said restoration work have been obtained and the same are in form and substance reasonably satisfactory to Mortgagee.

If within a reasonable period of time after the occurrence of any loss or damage to the real property which constitutes less than a total loss Mortgagor shall not have submitted to Mortgagee and received Mortgagee's approval of plans and specifications for the repair, restoration or rebuilding of such loss or damage or shall not have obtained approval of such plans and specifications from all governmental authorities whose approval is required, or if, after such plans and specifications are approved by Mortgagee and by all such governmental authorities, Mortgagor shall fail to commence promptly such repair, restoration or rebuilding, or if thereafter Mortgagor fails to carry out diligently such repair, restoration or rebuilding or is delinquent in the payment to mechanics, materialmen or others of the costs incurred in connection with such work, or if any other condition of this paragraph 1.06 is not satisfied within a reasonable period of time after the occurrence of any such loss or damage, then Mortgagee, in addition to all other rights herein set forth, and, after giving Mortgagor at least thirty (30) days' written notice of the nonfulfillment of one or more of the foregoing conditions may, failing Mortgagor's fulfillment of said conditions within said thirty (30) day period, at Mortgagee's option, (i) declare that an Event of Default has occurred and or apply all proceeds to the payment of any indebtedness hereby secured, and/or (ii) Mortgagee, or any lawfully appointed receiver of the real property, may at their respective options, perform or cause to be performed such repair, restoration or rebuilding, and may take such other steps as they deem advisable to carry out such repair, restoration or rebuilding, and may enter upon the real property for any of the foregoing purposes, and Mortgagor hereby waives, for itself and all others holding under it, any claim against Mortgagee and such receiver (other than a claim based upon

the alleged gross negligence or intentional misconduct of Mortgagee or any such receiver) arising out of anything done by them or any of them pursuant to this paragraph 1.06 and Mortgagee may in its discretion apply any proceeds held by it to reimburse itself and/or such receiver for all amounts expended or incurred by it in connection with the performance of such work, including attorneys' fees, and any excess costs shall be paid by Mortgagor to Mortgagee and Mortgagor's obligation to pay such excess costs shall be secured by the lien of this Mortgage and shall bear interest at the highest rate permitted by law until paid.

1.07 Condemnation.

Mortgagor, immediately upon obtaining knowledge of the institution of any proceeding for the condemnation of the Premises or any portion thereof, shall notify Mortgagee of the pendency thereof. Mortgagor hereby assigns, transfers and sets over unto Mortgagee all compensation, rights of action, the entire proceeds of any award and any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation or by sale in lieu thereof. Mortgagee may, at its option, commence, appear in and prosecute, in its own name or in the name of Mortgagor, any action or proceeding, or make any compromise or settlement, in connection with such condemnation, taking under the power of eminent domain or sale in lieu thereof. After deducting therefrom all of its expenses, including attorneys' fees, Mortgagee may elect to apply the proceeds of the award upon or in reduction of the indebtedness secured hereby, whether due or not, or hold such proceeds without any allowance of interest and make them available for restoration or rebuilding of the Premises. In the event that Mortgagee elects to make such proceeds available to reimburse Mortgagor for the cost of the rebuilding or restoration of the buildings or improvements on such Premises, such proceeds shall be made available in the manner and under the conditions that Mortgagee may require in the manner provided under paragraph 1.06 above. If the proceeds are made available by Mortgagee to reimburse Mortgagor for the cost of such rebuilding or restoration, any surplus which may remain out of such 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 Mortgagor. Mortgagor agrees to execute such further assignments of any compensation, awards, damages, rights of action and proceeds as Mortgagee may require.

1.08 Liens and Encumbrances.

Mortgagor shall pay when due all obligations, lawful claims or demands of any person which, if unpaid, might

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result in, or permit the creation of, a lien or encumbrance on the Premises, the Collateral or on the rents, issues, income and profits arising therefrom, whether such lien would be senior or subordinate hereto, including, but without limiting the generality of the foregoing, all claims of mechanics, materialmen, laborers and others for work or labor performed, or materials or supplies furnished in connection with any work of demolition, alteration, improvement of or construction upon the Premises. Mortgagor shall not mortgage, pledge, assign or otherwise create or permit the creation of any security interest in the Premises or the Collateral other than created hereby, whether superior or subordinate, without the express prior written permission of Mortgagee.

Mortgagor shall have the right to contest in good faith the validity of any such lien or encumbrance, provided Mortgagor shall first deposit with Mortgagee a bond or other security satisfactory to Mortgagee in such amount as Mortgagee shall reasonably require, but not more than one hundred fifty percent (150%) of the amount of the claim, and provided further, that Mortgagor shall thereafter diligently proceed to cause such lien to be removed and discharged. If Mortgagor shall fail to discharge any such lien, then, in addition to any other right or remedy of Mortgagee, Mortgagee may, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such lien by depositing in court a bond for the amount claimed, or otherwise giving security for such claim, or by taking such action as may be prescribed by law. Mortgagor shall guard every part of the Premises from removal, destruction and damage, and shall not do or suffer to be done any act whereby the value of any part of the Premises may be lessened.

If the interest of Mortgagee in the Premises, or the superiority of such interest, is endangered or attacked, directly or indirectly, Mortgagor hereby authorizes Mortgagee, at Mortgagor's expense, to take all necessary and proper steps for the defense of such interest or the superiority thereof, including the employment of counsel, the prosecution or defense of litigation, and the compromise or discharge of claims made against such interest or the superiority thereof.

1.09 Taxes and Assessments.

Subject to the following provisions, Mortgagor shall pay in full, when due, and in any event before any penalty or interest attaches, all general taxes and assessments, special taxes, special assessments, water charges, sewer service charges and all other charges against the Premises and

shall furnish to Mortgagee official receipts evidencing the payment thereof. Mortgagor may, at its sole cost and expense, contest by appropriate proceedings any such taxes or assessments and if such proceedings have been instituted, Mortgagor shall not be in default hereunder in failing to pay such taxes or assessments during the pendency of such proceedings so long as Mortgagor, prior to instituting such proceedings, deposits with Mortgagee cash, or other security satisfactory to Mortgagee, sufficient to satisfy such taxes or assessments, together with the interest, penalties, costs and expenses attributable to such proceedings. Following the conclusion of such proceedings, Mortgagor shall immediately pay all amounts adjudged to be owing. Mortgagee shall return the cash or other security deposited with it upon receipt by it of evidence of the satisfaction by Mortgagor of Mortgagor's obligations. If such obligations are not satisfied in the manner herein prescribed, then Mortgagee may utilize such deposit in satisfaction of same and apply the balance in reduction of the indebtedness.

1.10 Indemnification

Mortgagor shall appear in and defend any suit, action or proceeding that might in any way, in the sole judgment of Mortgagee, affect the value of the Premises, the title to the Premises or the rights and powers of Mortgagee. Mortgagor shall, at all times, indemnify, hold harmless and, on demand, reimburse Mortgagee for any and all loss, damage, expense or cost, including cost of evidence of title and attorneys' fees, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such expenditures shall be secured by this Mortgage and shall bear interest at the rate provided in the Note and secured hereby and shall be due and payable on demand. Mortgagor shall pay the cost of collection of any indebtedness secured hereby, including reasonable attorneys' fees, whether or not suit is brought and shall pay reasonable cost of suit, cost of evidence of title and reasonable attorneys' fees in any proceeding or suit brought by Mortgagee to foreclose this Mortgage.

1.11 Restrictions on Transfer.

It shall be an immediate Event of Default and default hereunder if, without the prior written consent of Mortgagee, any of the following shall occur, and in any event Mortgagee may condition its consent upon such increase in rate of interest payable upon the indebtedness hereby secured, change in monthly payments thereon, change in maturity thereof and/or the payment of a fee, all as Mortgagee may in its sole discretion require:

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(a) If Mortgagor shall create, effect, contract for, commit to or consent to or shall suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Premises or any part thereof, or interest therein, excepting only sales or other dispositions of Collateral permitted under the terms of this paragraph 1.11;

(b) If Mortgagor is a trustee, then, if any beneficiary of the Mortgagor shall create, effect, contract for, commit to or consent to, or shall suffer or permit, any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of such beneficiary's beneficial interest in Mortgagor;

(c) If Mortgagor is a corporation, or if any corporation is a beneficiary of a trustee mortgagor, then if any shareholder of such corporation shall create, effect, contract for, commit to or consent to or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any such shareholder's shares in such corporation; provided that if such corporation is a corporation whose stock is publicly traded on a national securities exchange or on the "Over the Counter" market, then this subsection (c) shall be inapplicable;

(d) If Mortgagor is a partnership or joint venture, or if any beneficiary of a Trustee Mortgagor is a partnership or joint venture, then, if any general partner or joint venturer in such partnership or joint venture shall create, effect or consent to or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any part of the partnership interest or joint venture interest, as the case may be, of such general partner or joint venturer; or

(e) If there shall be any change in control (by way of transfer of stock ownership, partnership interests or otherwise) in any general partner which directly or indirectly controls or is a general partner of a partnership or joint venture beneficiary as described in subsection (d) above;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided that the foregoing provisions of this section shall not apply (i) to liens securing the indebtedness

hereby secured; (ii) to the lien of current taxes and assessments not in default; (iii) to any transfers of the Premises, or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint venture interests as the case may be, in Mortgagor or any beneficiary of a Trustee Mortgagor by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate, personal representatives and/or committee; or (iv) transfers of general partnership interests in The Beatrice Limited Partnership, an Illinois limited partnership ("Beneficiary"), the sole beneficiary in Mortgagor, between the general partners in the Beneficiary, or to the spouse or lineal descendants of the general partners in Beneficiary or to trusts for the benefit of such general partners or their spouse or lineal descendants, provided such transfers do not cause a termination of the existence of Beneficiary and further provided that Harold L. Miller or Beatrice Miller or Robert Miller or Steven Miller remains a general partner in Beneficiary with not less than a one percent interest in the Beneficiary; (v) transfers of limited partnership interests in Beneficiary among the limited partners in Beneficiary; or (vi) transfer of the Premises or of the entire beneficial interest in Mortgagor to The Evanston-Ridge Associates Limited Partnership, an Illinois limited partnership ("ERA"), pursuant to that certain Installment Contract for Deed (the "Installment Contract"), dated as of March 1, 1984, by and between ERA and Joshua Limited Partnership, an Illinois limited partnership, provided that any such transfer shall be subject to the liens of the Security Documents, as same may be at any time and from time to time modified, renewed, replaced, extended or consolidated, to the full extent of the indebtedness secured by the Security Documents, and ERA and Mortgagor shall so confirm in writing by an assumption agreement or other agreements in form and substance acceptable to Mortgagee, further provided that any such transfer shall be effected by documentation in form and substance acceptable to Mortgagee, further provided that ERA shall execute documents substantially similar in form and in substance to all of the documents executed by Beneficiary (and by Mortgagor in the event ERA elects to take title in its own name) in connection with the loan evidenced by the Note including, without limitation, UCC-1 and UCC-2 financing statements, an assignment of leases and rents, a beneficiary's agreement and an irrevocable right to approve documents to be executed by Mortgagor. The provisions of this section shall be operative with respect to, and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Premises, or such beneficial interest in, share of stock of or partnership or joint venture interest in the Mortgagor or any beneficiary of a Trustee Mortgagor.

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In the event ownership of the Premises, or any part thereof, becomes vested in a person or persons other than Mortgagor, without the prior written approval of Mortgagee, the Mortgagee may, without notice to Mortgagor, waive such default and deal with such successor or successors in interest with reference to this Mortgage, and the Note in the same manner as with Mortgagor, without in any way releasing, discharging or otherwise affecting the liability of Mortgagor hereunder, or for the Mortgage indebtedness hereby secured. No transfer, no forbearance on the part of Mortgagee, no extension of the time for the payment of the Mortgage indebtedness or any change in the terms thereof consented to by Mortgagee shall in any way whatsoever operate to release, discharge, modify, change or affect the original liability of Mortgagor herein, either in whole or in part. Any deed conveying the Premises, or any part thereof, if approved by Mortgagee in writing, shall provide that grantee thereunder assume all of Mortgagor's obligations under the Mortgage, the Note and all other instruments or agreements evidencing or securing the repayment of the indebtedness secured by this Mortgage. In the event such deed shall not contain such assumption, Mortgagee shall have all rights reserved to it hereunder in the event of a default or if Mortgagee shall not elect to exercise such rights and remedies, the grantee under such deed shall nevertheless be deemed to have assumed such obligations by acquiring the Premises or such portion thereof subject to this Mortgage.

Mortgagor shall not voluntarily, involuntarily or by operation of law sell, assign, transfer or otherwise dispose of the Collateral or any interest therein and shall not otherwise do or permit anything to be done or occur that may impair the Collateral as security hereunder except that so long as this Mortgage is not in default, Mortgagor shall be permitted to sell or otherwise dispose of the Collateral when absolutely worn out, inadequate, unserviceable or unnecessary for use in the operation of the real estate described in Exhibit B and in the operation of the business conducted thereon, upon replacing the same or substituting for the same other Collateral at least equal in value to the initial value of that disposed of and in such a manner so that such Collateral shall be subject to the security interest created hereby and so that the security interest of the Mortgagee hereunder shall be the first priority security interest in the Collateral. In the event the Collateral is sold in connection with the sale of the real estate described in Exhibit B, Mortgagor shall require, as a condition of the sale, that the buyer specifically agrees to

assume Mortgagor's obligations as to the security interest herein granted and to execute whatever agreements and filings are deemed necessary by Mortgagee to maintain its perfected security interest in the Collateral.

1.12 Management.

Mortgagor agrees that Mortgagee shall have, and Mortgagee reserves, the right to install professional management of the Premises at any time that Mortgagor is in default under any provision of the Security Documents. Such installation shall be at the sole discretion of Mortgagee and nothing herein shall obligate Mortgagee to exercise its right to install professional management. The cost of such management shall be borne by Mortgagor and shall be treated as an advance under paragraph 1.13.

1.13 Advances.

If Mortgagor shall fail to perform any of the covenants herein contained or contained in any instrument constituting additional security for the Note, Mortgagee may, but without obligation to do so, make advances to perform same in its behalf, and all sums so advanced shall be secured by this Mortgage. Mortgagor shall repay on demand all sums so advanced in its behalf with interest at the Default Rate of Interest provided in the Note. Nothing herein contained shall prevent any such failure to perform on the part of Mortgagor from constituting an Event of Default as hereinafter defined.

1.14 Financial Statements.

Mortgagor shall deliver to Mortgagee, within one hundred twenty (120) days after the end of each fiscal year of Mortgagor's beneficiary, (i) a balance sheet and statement of profit and loss with respect to the operation of the Premises, setting forth starting with the second such fiscal year, in comparative form, the figures for the previous fiscal year, and (ii) a rent roll in substance and form satisfactory to Mortgagee, specifying the name of each tenant in occupancy, the number of square feet leased and the annual rental of each such tenant, all in reasonable detail and certified as complete and correct by the beneficiary of Mortgagor. Following the occurrence of an Event of Default under this Mortgage, Mortgagee shall have the right to have such financial statements audited by an independent certified public accountant in accordance with generally accepted accounting principles at Mortgagor's expense.

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1.15 Time.

Mortgagor agrees that time is of the essence hereof in connection with all obligations of Mortgagor herein or in such Note or any other instrument constituting additional security for such Note.

1.16 Estoppel Certificates.

Mortgagor, within ten (10) days after written request from Mortgagee, shall furnish a duly acknowledged written statement setting forth the amount of the debt secured by this Mortgage, and stating either that no setoffs or defenses exist against the Mortgage debt, or, if such setoffs or defenses are alleged to exist, the nature thereof.

1.17 Records.

Mortgagor agrees to keep adequate books and records of account in accordance with generally accepted accounting principles and will permit the Mortgagee and its agents, accountants and attorneys, to visit and inspect the Premises and examine its books and records of account, and to discuss its affairs, finances and accounts with Mortgagor, at such reasonable times as Mortgagee may request.

Mortgagor will promptly and fully keep, perform and comply with all the terms, provisions, covenants and conditions imposed upon Mortgagor under the Security Documents. In the event Mortgagor suffers or permits to occur any breach or default under the provisions of any such assignment of lease or leases of the Premises or any of the Security Documents, such breach or default shall constitute a default hereunder and at option of Mortgagee, and without notice to Mortgagor, all unpaid indebtedness secured by this Mortgage shall become due and payable as in the case of other defaults.

1.18 Mineral Exploration and Development.

Mortgagor agrees to make no conveyance whatever in connection with the exploration of oil and gas or other minerals on such Premises and to refrain from such activity, unless Mortgagee should consent in writing to any such conveyance or activity. Mortgagor further agrees that it will prosecute any cause or causes of action diligently and to final conclusion arising from the damages to the Premises resulting from the exploration for gas and oil or other minerals located thereon in such a manner as to cause damage thereto, which are recoverable in law or in equity under the

laws of this State, applying the proceeds to the debt secured by this Mortgage; provided, however, Mortgagor, with the written consent of Mortgagee, may make such settlements out of court as may be deemed just and equitable to the parties concerned.

1.19 Inspections.

Mortgagee and its agents, representatives and workmen are authorized to enter at any reasonable time upon or on any part of the Premises for the purposes of inspecting the same and for the purpose of performing any of the acts Mortgagee or Mortgagor is authorized to perform under the terms of this Mortgage or any other instrument which secures the Note secured hereby.

1.20 Authority of Signatories.

The individuals executing this Mortgage and all other Security Documents represent that they are fully authorized and legally capable of executing this Mortgage and all other Security Documents on behalf of Mortgagor and that the execution of such documents is binding upon all parties holding an ownership interest in the Premises.

1.21 Subordination, Non-Disturbance and Attornment Agreements

UPON THE REQUEST OF MORTGAGEE, MORTGAGOR HEREBY covenants and agrees to execute and deliver and to cause any or all present and future tenants of the Premises (as may be designated by Mortgagee at any time and from time to time) to execute and deliver to and with Mortgagee and Mortgagee, Subordination, Non-Disturbance and Attornment Agreements in form and substance satisfactory to Mortgagee.

1.22 Hazardous Materials

Mortgagor represents that neither Mortgagor or any previous owner or user of the Premises used, generated, stored or disposed of above, in, on, under or around the Premises any hazardous wastes, toxic substances or related materials ("hazardous materials"). For the purpose of this representation, hazardous materials shall include, but shall not be limited to, any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of Illinois, or the United States of America. The term "hazardous materials" also includes, without limitation, any material or substance which is listed in the United States Department of Transportation Hazardous

Materials Table (49 CFR 172.101) as amended from time to time. Further, Mortgagor agrees that it will not use, generate, store or dispose of or permit the use, generation, storage or disposal of any hazardous materials, as hereinabove described, above, in, on, under and/or around the Premises now or at any future time and will save Mortgagee harmless from any action(s) which may result in connection with hazardous materials as they relate to the Premises.

If at any time it is determined that there are any hazardous materials located above, in, on, under or around the Premises which under any environmental requirement of Federal, state, or local law, statute, ordinance or regulation, or court or administrative order or decree, or private agreement, ("environmental requirements") require a special handling of the use, collection, storage, treatment or disposal, Mortgagor shall commence with diligence within thirty (30) days after receipt of notice thereof they continue to diligently take all appropriate action, at Mortgagor's sole expense, to comply with all such environmental requirements. Failure of Mortgagor to comply with all environmental requirements shall constitute an event of default under this Mortgage.

ARTICLE II

DEFAULT

2.01 Events of Default.

The following shall be deemed to be Events of Default hereunder:

(a) Failure to make any payment when due in accordance with the terms of the Note secured hereby or the Security Documents; or

(b) Failure to perform any of the other terms, covenants and conditions in the Note secured hereby or in the Security Documents and the continuance of such failure for thirty days after written notice from Mortgagee; or

(c) Breach of any material warranties or representations given by Mortgagor, Mortgagor's agents, or any individual signatory to the Security Documents in any of the Security Documents or any other document delivered in connection with the loan evidenced by the Note; or

(d) Institution of foreclosure or other proceedings to enforce any second mortgage or any junior security interest or other lien or encumbrance of any kind upon the Premises or any portion thereof; provided, however, that nothing contained herein shall be deemed a consent of Mortgagee to the imposition of any encumbrance upon the Premises; or

(e) Should the Mortgagor, or any guarantor of the Note secured hereby, or a beneficiary of a trustee Mortgagor, or any general partner of the beneficiary of a Trustee Mortgagor, or any heirs, successors or assigns thereof, including without limitation the current owner of any interest in the Premises:

(i) file a petition in voluntary bankruptcy or for an arrangement or reorganization pursuant to the Bankruptcy Code or any similar law, state or federal, whether now or hereafter existing (hereafter referred to as "Bankruptcy Proceeding"); or

(ii) file any answer admitting insolvency or inability to pay its debts; or

(iii) fail to obtain a vacation or stay of any involuntary Bankruptcy Proceeding within forty-five (45) days, as hereinafter provided; or

(iv) be adjudicated a bankrupt or declared insolvent in any Bankruptcy Proceeding; or

(v) have a trustee or receiver appointed for or have any court take jurisdiction of its property, or the major part thereof, in any involuntary proceeding for the purpose of reorganization, arrangement, dissolution or liquidation if such trustee or receiver shall not be discharged or if such jurisdiction shall not be relinquished, vacated or stayed on appeal or otherwise within forty-five (45) days; or

(vi) make an assignment for the benefit of its creditors; or

(vii) admit in writing its inability to pay its debts generally as they become due; or

(viii) consent to an appointment of a receiver or trustee of all of its property, or the major part thereof; or

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(f) If the Premises shall be abandoned; or

(g) Failure to comply with any of the requirements of Article 1.22 hereof.

2.02 Remedies.

(a) Upon and after any such Event of Default, Mortgagee is hereby authorized and empowered, at its option, and without affecting the lien hereby created or the priority of said lien or any right of Mortgagee hereunder, to declare, without further notice, the entire principal of the Note then outstanding (if not then due and payable), and all accrued and unpaid interest thereon, all prepayment premiums payable thereunder and all other obligations of Mortgagor hereunder and under the other Security Documents to be due and payable immediately, whether or not such default is thereafter remedied by Mortgagor, and, upon any such declaration, the principal of the Note, all accrued and unpaid interest thereon, all prepayment premiums payable thereunder and all other obligations of Mortgagor hereunder and under the other Security Documents shall become and be immediately due and payable, anything in the Note or in this Mortgage to the contrary notwithstanding, and Mortgagee may immediately proceed to foreclose this Mortgage and/or exercise any right, power, or remedy provided by this Mortgage, the Note, the Assignment of Leases and Rents, the other Security Documents or by law or in equity conferred, all without presentment, demand, notice of broken conditions or other notice whatsoever.

(b) 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 or proceeding 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 reasonable 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, and similar data and assurances with respect to title, as Mortgagee may deem reasonably necessary either to prosecute such suit or to

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evidence to bidders at sales 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 the Premises and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by the Mortgagee in any litigation or proceedings affecting this Mortgage, the Note, any other Security Document or the Premises, including probate and bankruptcy proceedings, or in preparation for the commencement of defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the rate specified in the Note for payment of interest after the occurrence of an Event of Default (herein called the "Default Rate").

(c) 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 (b) above; Second, all other items which, under the terms hereof, constitute indebtedness hereby secured additional to that evidenced by the Note, with interest on such items as herein provided; Third, to interest remaining unpaid upon the Note; Fourth, to the principal remaining unpaid upon the Note; and lastly, any overplus to Mortgagor, and its successors or assigns, as their rights may appear.

(d) 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 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 holder of the Note may be appointed as such receiver. Such receiver shall have the power 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, if any, whether there be a redemption or not, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collection of 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 may, from time to time, authorize the receiver to apply the net income from the Premises in his hands in payment in whole or in part of:

(i) The indebtedness hereby secured or the indebtedness secured 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 the foreclosure sale; or

(ii) The deficiency in case of a sale and deficiency.

(e) In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in restoring the improvements, 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 as the court may direct. In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the Mortgagee's clause attached to each of the casualty insurance policies may be canceled and that the decree creditor may cause a new loss clause to be attached to each of said casualty insurance policies making the loss thereunder payable to said decree creditors; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statutes in each such case made and provided, then in every such case, each and every successive redeemer may cause the preceding loss clause attached to each casualty 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 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 said insurance policies.

(f) Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Premises by Mortgagee.

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(g) Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to decree, judgment or order of any court of competent jurisdiction; or before or after such sale or sales claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshaling thereof, upon foreclosure sale or other enforcement hereof. Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person acquiring any interest or title to the Premises or beneficial interest in Borrower subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by the provisions of Chapter 110, para. 12-124, para. 12-125 and para. 15-1501 of the Illinois statutes or other applicable law or replacement statutes. Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power or remedy herein or otherwise granted or delegated to Mortgagee, but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted. If Mortgagor is a trustee, Mortgagor represents that the provisions of this section (including the waiver of redemption rights) were made at the express direction of Mortgagor's beneficiaries and the persons having the power of direction over Mortgagor and are made on behalf of the trust estate of Mortgagor and all beneficiaries of Mortgagor, as well as all other persons mentioned above.

(h) Upon any default or Event of Default hereunder and the declaration by Mortgagee that the indebtedness hereby secured is immediately due and payable, all as more fully set forth above, Mortgagee shall have the remedies of a secured party under the Code, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part

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thereof, and for that purpose may, so far as Mortgagor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to the Mortgagor's right of redemption in satisfaction of the Mortgagor's obligations as provided in the Code. Mortgagee, without removal, may render the Collateral unusable and dispose of the Collateral on the Premises. Mortgagee may require Mortgagor to assemble the Collateral and make it available to Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Mortgagee will give Mortgagor at least five (5) days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified mail or equivalent, postage prepaid, to the address of Mortgagor determined as provided herein, at least five (5) days before the time of the sale or disposition. Mortgagee may buy at any public sale, and if the Collateral is a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, Mortgagee may buy at any private sale. Any such sale may be held as part of and in conjunction with any foreclosure sale of the real estate comprised within the Premises, the Collateral and real estate to be sold as one lot if Mortgagee so elects. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like and the reasonable attorneys' fees and legal expenses incurred by Mortgagee, shall be applied in satisfaction of the indebtedness hereby secured. Mortgagee will account to Mortgagor for any surplus realized on such disposition. The remedies of Mortgagee hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other remedies of the Mortgagee, including having the Collateral deemed part of the realty upon any foreclosure thereof so long as any part of the indebtedness hereby secured remains unsatisfied. The terms and provisions contained in this subsection

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(h) shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code.

(i) Upon any sale made under or by virtue of this Mortgage, Mortgagee may bid for and acquire the Premises or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the indebtedness secured by this Mortgage the net sales price after deducting therefrom the expenses of the sale and the cost of the action and any other sums which Mortgagee is authorized to deduct under this Mortgage.

Mortgagee, upon so acquiring the Premises, or any part thereof, shall be entitled to hold, lease, rent, operate, manage and sell the same in any manner provided by applicable laws.

2.03 Other Rights.

Mortgagee may exercise any and all other rights, remedies and recourses now or hereafter existing in equity or at law for the protection and preservation of the Premises.

2.04 Remedies Cumulative, Concurrent and Nonexclusive.

Mortgagee shall have all rights, remedies and recourses granted in the Security Documents and available at law or equity (including, without limitation, those granted by the Code and applicable to the Premises or any portion thereof) and the same (a) shall be cumulative and concurrent, (b) may be pursued separately, successively or concurrently against Mortgagor or others obligated for the indebtedness, or any part thereof, or against any one or more of them, or against the Premises at the sole discretion of Mortgagee, (c) may be exercised as often as occasion therefor shall arise, it being agreed by Mortgagor that the exercise or failure to exercise any of the same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse, and (d) are intended to be, and shall be, nonexclusive.

2.05 ERA Cure.

ERA shall be entitled to cure, on behalf of Mortgagor, any default under this Mortgage within the same period, if any, provided herein for such cure, and Mortgagee agrees to accept such cure by ERA on behalf of Mortgagor, provided that nothing herein shall be deemed to extend any cure period beyond that herein provided to Mortgagor.

ARTICLE III

MISCELLANEOUS TERMS AND CONDITIONS

3.01 Leases.

In the event Mortgagee shall institute judicial proceedings to foreclose the lien hereof, and shall be appointed as a mortgagee in possession of the Premises, Mortgagee during such time as it shall be mortgagee in possession of the Premises pursuant to an order or decree entered in such judicial proceedings, shall have, and Mortgagor hereby gives and grants to Mortgagee, the right, power and authority to make and enter into leases of the Premises or the portions thereof for such rents and for such period of occupancy and upon such conditions and provisions as such mortgagee in possession may deem desirable, and Mortgagor expressly acknowledges and agrees that the term of any such lease may extend beyond the date of any sale of the Premises pursuant to a decree rendered in such judicial proceedings, it being the intention of Mortgagor that while Mortgagee is a mortgagee in possession of the Premises pursuant to an order or decree entered in such judicial proceedings, such Mortgagee shall be deemed to be and shall be the attorney-in-fact of Mortgagor for the purpose of making and entering into leases of parts or portions of the Premises for the rents and upon the terms, conditions and provisions deemed desirable to such Mortgagee and with like effect as if such leases had been made by Mortgagor as the owner in fee simple of the Premises free and clear of any conditions or limitations established by this Mortgage. The power and authority hereby given and granted by Mortgagor to Mortgagee shall be deemed to be coupled with an interest and shall not be revocable by Mortgagor.

3.02 Taxation of Note and Mortgage.

If at any time before the debt hereby secured is fully paid, any law is enacted, creating a tax upon this Mortgage or the debts secured thereby, then, in such event, Mortgagor shall pay to Mortgagee, on demand, the amount of any such tax, if such payment does not violate applicable law. If Mortgagor does not make any such payment, or if such payment would be violative of applicable law, then this Mortgage and the Note hereby secured shall, at the option of such Mortgagee, without notice to any party, become immediately due and payable, in which event the prepayment premium provided for in the Note shall not be payable.

3.03 Marshaling of Assets.

Mortgagor on its own behalf and on behalf of its successors and assigns hereby expressly waives all rights to require a marshaling of assets by Mortgagee or to require Mortgagee to first resort to the sale of any portion of the Premises which might have been retained by Mortgagor before foreclosing upon and selling any other portion as may be conveyed by Mortgagor subject to this Mortgage.

3.04 Partial Release.

Without affecting the liability of any other person for the payment of any indebtedness herein mentioned (including Mortgagor should it convey such Premises) and without affecting the lien or priority hereof upon any property not released, Mortgagee may, without notice, release any person so liable, extend the maturity or modify the terms of any such obligation, or grant other indulgences, release or reconvey or cause to be released or reconveyed at any time all or any part of the Premises described herein, take or release any other security or make compositions or other arrangements with debtors. Mortgagee may also accept additional security, either concurrently herewith or hereafter, and see same or otherwise realize thereon either before, concurrently with, or after sale hereunder.

3.05 Mortgagee's Consent.

In any instance hereunder where Mortgagee's approval or consent is required or the exercise of Mortgagee's judgment is required, the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion, reasonably exercised, of Mortgagee except with respect to paragraphs 1.11 and 3.19 hereunder, with respect to each of which, Mortgagee shall not, for any reason or to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner regardless of the reasonableness of either the request or Mortgagee's judgment.

3.06 Non-Waiver.

By accepting payment of any sum secured hereby after its due date or late performance of any indebtedness secured hereby, Mortgagee shall not waive its right against any person obligated directly or indirectly hereunder or on any indebtedness hereby secured, either to require prompt payment when due of all other sums so secured or to declare default for failure to make such prompt payment. No exercise of any right or remedy by Mortgagee hereunder shall

constitute a waiver of any other right or remedy herein contained or provided by law.

No delay or omission of the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

Receipts or rents, awards and any other monies or evidences thereof, pursuant to the provisions of this Mortgage and any disposition of the same by Mortgagee shall not constitute a waiver of the right of foreclosure by Mortgagee upon an Event of Default or failure of performance by Mortgagor of any covenant or agreement contained in this Mortgage, the Note secured hereby, or any other document or instrument executed as collateral for the Note.

3.07 Protection of Security.

Should Mortgagor fail to make any payment or to perform any covenant as herein provided, Mortgagee (but without obligation so to do and without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereof) may make or do the same in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof, Mortgagee being hereby authorized to enter upon the Premises for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of Mortgagee is prior or superior hereto and, in exercising any such power, incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title and attorneys fees; all such expenditures shall constitute part of the indebtedness secured by this Mortgage.

3.08 Rules of Construction.

When the identity of the parties hereto or other circumstances make it appropriate, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The headings of each paragraph are for information and convenience only and do not limit or construe the contents of any provision thereof.

3.09 Severability.

If any term of this Mortgage or the application thereof to any person or circumstances, shall, to any extent, be

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invalid or unenforceable, the remainder of this Mortgage, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

3.10 Successors in Interest.

This Mortgage applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, executors, administrators, successors and assigns. All obligations of Mortgagor hereunder are joint and several. The term "Mortgagee" shall mean the holder and owner, including pledgees, of the Note secured hereby, whether or not named as Mortgagee herein.

3.11 Notices.

All notices to be given pursuant to this Mortgage shall be sufficient if delivered by messenger or by overnight courier service with guaranteed next day delivery or if mailed postage prepaid, certified or registered mail, return receipt requested, to the above described addresses of the parties hereto, or to such other address as a party may request in writing. Any time period provided in the giving of any notice hereunder shall commence upon the date such notice is deposited in the mail.

A copy of any notice given to Mortgagor pursuant to the Mortgage shall be sent to each of (a) The Beatrice Partnership, an Illinois limited partnership, c/o Harold L. Miller, 1360 N. Sandbury Terrace, Suite 2201, Chicago, Illinois 60610, (b) Joshua Limited Partnership, c/o Larry D. Blust, Jenner & Block, One IBM Plaza, 45th Floor, Chicago, Illinois 60611, and (c) The Evanston Ridge Associates Limited Partnership, an Illinois limited partnership, c/o Donald G. Parker, 505 N. LaSalle Street, Chicago, Illinois 60610.

3.12 Modifications.

This Mortgage may not be amended, modified or changed, nor shall any waiver of any provisions hereof be effective, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

3.13 Governing Law.

This Mortgage shall be construed according to and governed by the laws of the State of Illinois and the laws of

the United States of America applicable to transactions in the State of Illinois.

3.14 Future Advances.

Upon request by Mortgagor, at Mortgagee's option and in Mortgagee's sole discretion, Mortgagee may make future advances to Mortgagor, provided that such future advances shall not, when added to the amount then secured hereunder and under any other mortgage secured by the Premises and permitted hereunder, exceed the unpaid balance under the Installment Contract; and provided, further, that nothing herein shall affect Mortgagee's right to advance sums pursuant to Section 1.13 hereof, which sums shall be secured by this Mortgage. Future advances made pursuant to this Section 3.14, with interest thereon, shall be secured by this Mortgage and all related Security Documents when such advances are evidenced by promissory notes stating that said notes are secured hereby. However, nothing contained herein shall in any way obligate Mortgagee to make any such future advances as mentioned herein and in all events the aggregate principal amount of all indebtedness now or hereafter secured hereby shall not exceed \$100,000,000.

3.15 No Partnership.

Nothing contained in the Security Documents is intended to create any partnership, joint venture or association between Mortgagor and Mortgagee, or in any way make Mortgagee a co-principal with Mortgagor with reference to the Mortgaged Property, and any inferences to the contrary are hereby expressly negated.

3.16 Assignment.

As further security for the indebtedness hereby secured, Mortgagor has, concurrently herewith, executed and delivered to the Mortgagee that certain Assignment of Rents and Leases (herein called the "Assignment"), dated as of the date hereof, wherein and whereby, among other things, Mortgagor has assigned to Mortgagee all of the rents, issues and profits and/or any and all leases and/or the rights of management of the Premises, all as therein more specifically set forth, which Assignment is hereby incorporated herein by reference as fully and with the same effect as if set forth herein at length. Mortgagor agrees that it will duly perform and observe all of the terms and provisions on its part to be performed and observed under the Assignment. Mortgagor further agrees that it will duly perform and observe all the terms and provisions on lessor's part to be performed and observed under any and all leases of the Premises

under which Mortgagor or its beneficiary of their respective agents is the lessor to the end that no default on the part of lessor shall exist thereunder. Nothing herein contained shall be deemed to obligate Mortgagee to perform or discharge any obligation, duty or liability of lessor under any lease of the Premises, and Mortgagor shall and does hereby indemnify and hold Mortgagee harmless from any and all liability, loss or damage which Mortgagee may or might incur under any lease of the Premises or by reason of the Assignment; and any and all such liability, loss or damage incurred by Mortgagee, together with the costs and expenses, including reasonable attorneys' fees, incurred by Mortgagee in the defense of any claims or demands therefor (whether successful or not) shall be so much additional indebtedness hereby secured, and Mortgagor shall reimburse Mortgagee therefor on demand, together with interest at the Default Rate from the date of demand to the date of payment.

3.17 Business Loan.

It is understood and agreed that the loan evidenced by the Note and secured hereby is a business loan within the purview of Section 6404 of Chapter 17 of Illinois Revised Statutes (or any substitute, amended, or replacement statute) transacted solely for the purpose of carrying on or acquiring the business of mortgagor or, if Mortgagor is a trustee, for the purpose of carrying on or acquiring the business of the beneficiaries of Mortgagor as contemplated by said section.

3.18 Effect of Extensions of Time, Amendments on Junior Liens and Others.

If the payment of the indebtedness hereby secured 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 the Premises, shall be held to assent to such extension, variation or release, and their liability, if any, and the lien, and all provisions hereof, shall continue in full force and effect, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding any such extension, variation or release. Any person, firm or corporation taking a junior mortgage or other lien upon the Premises or any interest therein shall take said lien subject to the rights of Mortgagee herein to amend, modify and supplement the Mortgage, the Note and the Assignment, and to vary the rate of interest and the method of computing the same, and to impose additional fees and other charges, and to extend the maturity of the indebtedness hereby secured, in each and

every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien. Nothing in this section contained shall be construed as waiving any provision of paragraph 1.11 hereof which provides, among other things, that it shall constitute an Event of Default if the Premises be sold, conveyed or encumbered.

3.19 Permitted Conveyance.

Notwithstanding the provisions of Section 1.11 hereof, Mortgagee shall permit the first to occur of the sale by the Mortgagor of all, but not less than all, of the Premises or the sale by the Beneficiary of the Mortgagor of all, but not less than all, of the beneficial interest in the Mortgagor (such sale by Mortgagor or the Beneficiary being herein called the "One Time Sale"), subject to and conditioned upon all of the following:

(a) The One Time Sale such not be permitted prior to December 1, 1998.

(b) The purchaser (herein called the "Initial Transferee") under the One Time Sale shall be a person or entity financially responsible, at least as credit-worthy as the Beneficiary of Mortgagor, and as experienced as the Beneficiary of Mortgagor in the management of apartment buildings equivalent to the Premises, all approved by Mortgagee, in its sole discretion.

(c) Mortgagee will require in connection with and as a condition to its consent to the One Time Sale that there shall be paid to Mortgagee (A) an assumption and transfer fee in the amount of Nineteen Thousand Dollars (\$19,000.00) and (B) all actual out-of-pocket expenses relating to such consent, including fees and expenses of Mortgagee's Special Counsel; and Mortgagee may impose such reasonable requirements in connection with the One Time Sale as Mortgagee shall deem necessary to assure the enforceability and continued perfection of the liens and security interests securing the Indebtedness Hereby Secured.

(d) Mortgagee will require in connection with and as a condition to its consent to the One Time Sale that there shall be paid to Mortgagee's servicing agent a fee of \$4,750.

(e) Prior to the One Time Sale, the identity of the proposed Initial Transferee shall be submitted to

Mortgagee and Mortgagee shall approve the Initial Transferee and proposed management of the Premises in accordance with the standards set forth in clause (b) above; and

(f) In the event of the transfer of the Premises or of the beneficial interest in Mortgagor to ERA pursuant to the terms of the Installment Contract, the One Time Sale shall be deemed to have occurred and this section 3.19 shall have no further application.

(g) The provisions of this Section 3.19 relate only to one One Time Sale (the first to occur of the first sale of all, but not less than all, of the Property by Mortgagor or of all, but not less than all, of the beneficial interest in Mortgagor by Beneficiary) and thereafter the provisions of this Section 3.19 shall be of no further effect and shall have no further application.

3.20 Non-Recourse.

This Mortgage is executed by LaSalle National Bank (the "Bank"), not personally but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and fixed in it as such Trustee, and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on said Bank as Trustee aforesaid, or on said Bank personally, to pay the said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, either express or implied, herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as the Bank, as Trustee aforesaid, and its successors, and Bank personally, are concerned, Mortgagee and the holder or holders of the Note and the owner or owners of the indebtedness accruing hereunder shall look solely to the Premises for the payment thereof, by the enforcement of the lien hereby created or created by the other Security Documents, in the manner herein and the Note provided, or by action to enforce the personal liability of any guarantor or co-maker, or any combination of remedies; provided that nothing contained in this paragraph shall in any manner or way release, affect or impair:

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(a) The existence of the indebtedness evidenced by the Note; or

(b) The enforceability of the liens and security interests created hereby or by the other Security Documents for repayment of the Note; or

(c) The right of Mortgagee or any holder of the Note after the occurrence of default under the Note or any Event of Default hereunder or under any other Security Document to recover from the beneficiary of Mortgagee one hundred percent (100%) of the costs or damages arising from any of the following: (i) fraud or material misrepresentation made in or in connection with the Note or any document evidencing, securing or pertaining to the loan evidenced thereby by Mortgagee or by any beneficiary of Mortgagee or by any general partner in any beneficiary of Mortgagee; (ii) failure to comply with all of the terms and provisions of Article 1.22 hereof; or (iii) the misappropriation or misapplication by Mortgagee or its beneficiary or any general partner in said beneficiary of (A) proceeds paid, prior to any foreclosure of the Premises, under any insurance policy by reason of damage, loss or destruction to any portion of the Premises (to the full extent of such proceeds); (B) any proceeds or awards resulting from the condemnation, prior to any foreclosure, of all or any part of the Premises (to the full extent of such proceeds or awards); or (C) gross receipts from rental of the Premises received or applicable to a period prior to any foreclosure of the Premises after notice of default except to the extent that such gross receipts have been applied in payment of normal operating expenses of the Premises or payments due under the Note or the Security Documents, (which gross receipts are deemed to be property of Mortgagee), including, without limitation, the collection and retention of any such gross receipts after any notice of default or foreclosure or exercise of other remedies by Mortgagee has been given to Mortgagee; or (iv) any damage to the Premises caused by the willful or wanton act or omission of the beneficiary of Mortgagee; or (v) causing cancellation of the hazard insurance related to the Premises.

IN WITNESS WHEREOF, LaSalle National Bank, not personally but as Trustee as aforesaid, has caused these presents to be signed by one of its Vice Presidents or Assistant Vice Presidents and its corporate seal to be hereunto affixed and

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attested by its Assistant Secretary, all as of the day, and year first above written.

LASALLE NATIONAL BANK, not personally but solely as Trustee as aforesaid

By: 
Its: Vice President
Assistant

ATTEST:

Assistant Secretary

THIS INSTRUMENT PREPARED BY AND SHOULD BE RETURNED TO:

GARY SCOTT SAIPE
ROSENTHAL AND SCHANFIELD
55 East Monroe Street,
Suite 4620
Chicago, Illinois 60603

Box 333

BOX 333 - TH

Property of Cook County Clerk's Office

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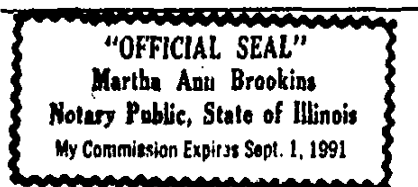
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, MARTHA ANN BROOKINS, a Notary Public in and for the County and State aforesaid, do hereby certify that Corinne Bok, and William H. Dillon, respectively, the Vice President and Assistant Secretary of LaSalle National Bank ("Bank"), who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such officers of the Bank, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of the Bank for the uses and purposes therein set forth, and the said Assistant Secretary of the Bank then and there acknowledged that he, as custodian of the corporate seal of the Bank, did affix such corporate seal to said instrument as his free and voluntary act and as the free and voluntary act of the Bank for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 19th day of November, 1987.

Martha Ann Brookins
Notary Public

My Commission Expires:



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R&S 250300-304
GSS 57-798
DOC #6
11/09/87-5

EXHIBIT A

PROMISSORY NOTE

\$1,900,000.00

Chicago, Illinois
October 1, 1987

FOR VALUE RECEIVED, the undersigned, LaSalle National Bank, not personally but solely as Trustee under Trust Agreement dated May 1, 1979 and known as Trust No. 100995 (herein called the "Maker"), hereby agrees and promises to pay to the order of Provident National Assurance Company, a Tennessee corporation (herein called the "Holder"), at its office at One Fountain Square, Chattanooga, Tennessee 37402, Attention: Mortgage Loan Department, or at such other place as Holder may designate in writing, in lawful money of the United States of America, the principal sum of

ONE MILLION NINE HUNDRED THOUSAND DOLLARS
(\$1,900,000.00)

with interest thereon from the date or dates of each advancement until maturity at the rate of nine and three-quarters percent (9.75%) per annum (herein called the "Regular Rate").

The outstanding principal thereof and interest thereon shall be paid as follows:

(a) Interest only on this Note at the Regular Rate shall be due and payable on the date of the initial disbursement hereof, prepaying interest through November 30, 1987 inclusive.

(b) Commencing on January 1, 1988 and continuing on the first of each and every month thereafter to and including November 1, 1992, there shall be paid on account of principal and interest at the Regular Rate payments (herein called the "Monthly Payments") in the amount of Sixteen Thousand Three Hundred Twenty-Three and 94/100 Dollars (\$16,323.94).

(c) In all events, the entire outstanding principal hereof, together with unpaid interest thereon, shall become immediately due and payable without notice on December 1, 1992 ("Maturity Date").

Each of such installments shall be applied first to the payment of the interest then accrued and due on the unpaid principal balance under this Note and the remainder, if any, of each installment, subject to the prepayment provisions hereof, shall be applied to the reduction of the unpaid principal. All interest hereunder shall be calculated on the basis of a 365-day year.

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THIS IS A BALLOON NOTE, and on the Maturity Date a substantial portion of the principal amount of this Note will remain unpaid by the monthly payments above required.

From and after the maturity of this Note, by lapse of time or otherwise, and during any period of time that Maker shall be in default hereunder or under the Mortgage (hereinafter defined), the outstanding principal balance shall bear interest (hereinafter called the "Default Rate of Interest") at the rate of FIFTEEN AND ONE-QUARTER PERCENT (15.25%) per annum.

The Maker shall have no right to prepay, and the Holder shall have no obligation to accept any tendered payments of, any portion outstanding hereunder except as follows:

(a) Except as otherwise provided in the following Subsection (b), Maker may prepay this Note in full, but not in part, upon any Monthly Payment date provided that Maker shall have given to Holder sixty (60) days prior written notice of Maker's intention to make such prepayment (such notice being herein called the "Prepayment Notice") and provided that Maker shall pay to Holder the Prepayment Premium (hereinafter defined). The term "Prepayment Premium" shall mean an amount of money calculated by multiplying the principal amount hereof being prepaid by the product of (i) the amount obtained by subtracting the annualized yield on a U.S. Treasury Note or Bond having a maturity date which occurs closest to the Maturity Date, as such annualized yield is reported in The Wall Street Journal on the business day preceding the day of prepayment, from the interest rate then in effect and (ii) the number of years and fraction thereof remaining between the date of prepayment and the Maturity Date of this Note; provided that under no circumstances shall the Prepayment Premium ever be less than zero. Notwithstanding any provisions of the foregoing to the contrary, in no event shall any Prepayment Premium exceed an amount equal to the excess, if any, of (x) interest calculated at the highest applicable rate permitted by applicable law, as construed by courts having jurisdiction thereon, on the principal balance of the Note from time to time outstanding from the date hereof to the date of prepayment, over (y) interest theretofore paid and accrued on the Note.

(b) Any amounts to be prepaid as specified in a Prepayment Notice given pursuant to Subsection (a) above shall be due and payable at the time provided in such notice.

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(c) In addition to prepayments pursuant to Sub-section (a) above, Maker may make prepayments out of insurance proceeds or condemnation awards, as provided for in the Mortgage, without Prepayment Premium, provided that Maker is not then in default hereunder or under any of the Security Documents hereinafter referred to.

If upon default by Maker hereunder or under any of the Security Documents and following the acceleration of the maturity hereof, as herein provided, a tender of payment of the amount necessary to satisfy the indebtedness evidenced hereby is made by Maker or by anyone on its behalf prior to or at foreclosure sale, such tender shall constitute an evasion of the payment terms hereof and shall be deemed to be a voluntary prepayment hereunder, and any such prepayment, to the extent not precluded by law, will include the Prepayment Premium then payable in the case of a voluntary prepayment as aforesaid.

This Note is secured by a Mortgage and Security Agreement (hereinafter called the "Mortgage") and an Assignment of Leases and Rents (hereinafter called the "Assignment of Leases and Rents"), each of even date herewith, encumbering certain real and personal property located in the City of Evanston, Cook County, Illinois, more particularly described therein (herein called the "Mortgaged Property"), and any other instruments, now or hereafter executed by Maker in favor of Holder, which in any manner constitute additional security for this Note. Reference is hereby made to the Mortgage and the Assignment of Leases and Rents (both of which are hereby incorporated by reference as fully and with the same effect as if set forth herein at length) for a description of the aforesaid real and personal property, a statement of the covenants and agreements of Maker, a statement of the rights, remedies and security afforded thereby and all other matters therein contained.

In the event any installment payment required hereunder shall become overdue for a period in excess of ten (10) days, a charge of FOUR PERCENT (4%) of such overdue installment may be charged by the Holder for the purpose of defraying the expense incident to handling such delinquent payment. This provision shall not be deemed to excuse a late payment or be deemed to be a waiver of any other rights Holder may have, including the right to declare the entire unpaid principal and interest to be immediately due and payable.

If Maker shall default in the payment when due of any installment or installments as herein provided, or if an Event or Default shall occur under the Mortgage, Assignment of Leases and Rents or any other instrument given to secure the payment hereof (all of which are herein collectively referred to as the "Security Documents"), then, or at any time thereafter, the entire principal of this Note, irrespective of the maturity date specified herein, together with the then accrued interest thereon, shall, at the election of the Holder and without notice of such election, become immediately due and payable.

The rights or remedies of the Holder as provided in this Note and the Security Documents shall be cumulative and concurrent, and may be pursued singly, successively, or together against the property described in the Security Documents, any other funds, property or security held by Holder for the payment hereof, or otherwise at the sole discretion of the Holder. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release of such rights or remedies or the right to exercise them at any later time.

All agreements between the undersigned and the Holder, whether now existing or whether hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of the maturity hereof, or otherwise, shall the amount paid or agreed to be paid to the Holder for the use, forbearance of detention of the money to be loaned hereunder, or advanced for the performance or payment of any covenant or obligation contained herein or in any other document evidencing, securing or pertaining to the indebtedness evidenced hereby, exceed the maximum amount permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision hereof or of any such other document, at the time performance of such provisions shall be due, shall involve transcending the limit of validity prescribed by law, then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, and if from such circumstance the Holder shall ever receive anything of value deemed by applicable law to be interest in any amount that would exceed the highest lawful rate payable hereunder, an amount equal to any excessive interest shall be applied to the reduction of the principal amount owing hereunder and not to the payment of interest, and if the amount that would be excessive interest exceeds the principal balance then owing, such excess shall be refunded to the party paying the same. It is further agreed, without limitation of the foregoing, that all calculations of the rate of interest contracted for, charged or

received under this Note, or under any instrument evidencing or securing the loan evidenced hereby, that are made for the purpose of determining whether such rate exceeds the maximum lawful contract rate, shall be made, to the extent permitted by applicable law, by amortizing, prorating, allocating and spreading throughout the full stated term of the loan evidenced hereby, all such interest at any time contracted for, charged or received from the undersigned or otherwise by the Holder in connection with such loan so that the rate of interest on account of such indebtedness, as so calculated, is uniform throughout the term hereof. The terms and provisions of this paragraph shall control and supersede every other provision of all agreements between the parties hereto.

Maker and all endorsers, guarantors, sureties, accommodation parties hereof and all other persons liable or who become liable for all or any part of this indebtedness, jointly and severally waive diligence, presentment, protest and demand, and also notice of protest, of demand, of non-payment, of dishonor, of acceleration, of intention to accelerate, and of maturity; and they also jointly and severally hereby consent to any and all renewals, extensions or modifications of the terms hereof, including time for payment, and further agree that any such renewal, extension or modification of the terms hereof or the release or substitution of any security for the indebtedness evidenced hereby or any other indulgences shall not affect the liability of any such parties for the indebtedness evidenced by this Note. Any such renewal, extension or modification may be made without notice to any of such parties.

Maker and all endorsers, guarantors, sureties, accommodation parties hereof and all other persons liable or who become liable on this Note, jointly and severally agree to pay all reasonable costs of collection, including reasonable attorneys' fees and expenses and all costs of suit, in case the unpaid principal sum of this Note or any payment of interest or principal and interest thereon or Premium is not paid when due, or in case it becomes necessary to protect the security for the indebtedness evidenced hereby, or in case of the foreclosure by the Holder or by the mortgagee under the Mortgage or other Security Documents, or in the event the Holder is made a party to any litigation because of the existence of the indebtedness evidenced by this Note or because of the existence of the Mortgage or other Security Documents, whether suit be brought or not, and whether through courts of original jurisdiction or courts of appellate jurisdiction or through a bankruptcy court or other legal proceedings.

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This Note may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

Whenever used herein, the words "Maker" and "Holder" shall be deemed to include their respective successors and assigns. If Maker constitutes more than one party, all parties which constitute Maker shall be jointly and severally liable with respect to the obligations hereunder and under any instrument securing this Note.

This Note shall be construed according to and governed by the laws of the State of Illinois and the laws of the United States of America applicable to transactions in the State of Illinois.

Funds representing the proceeds of the indebtedness evidenced hereby which are disbursed by Holder by mail, wire transfer or other delivery to Maker, any escrowee or otherwise for the benefit of Maker shall, for all purposes, be deemed outstanding hereunder and to have been received by Maker as of the date of such mailing, wire transfer or other delivery, and interest shall accrue and be payable upon such funds from and after the date of such wire transfer, mailing or delivery and until repaid to Holder, notwithstanding the fact that such funds may not at any time have been distributed by any such escrowee to the Maker or for its benefit.

Maker represents that the loan evidenced by this Note is a business loan within the purview of Chapter 17, Section 6404 of Illinois Revised Statutes, transacted solely for the purpose of owning and operating the business of the beneficiary of the Maker as contemplated by said section.

Time is of the essence of this Note and each of the provisions hereof.

This Note is executed by LASALLE NATIONAL 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 no personal liability shall be asserted or be enforceable against the Maker because or in respect of this Note or the making, issue or transfer hereof, all such liability, if any, being expressly waived by each taker and holder hereof; provided, that nothing contained in this paragraph shall in any matter or way release, affect or impair:

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(a) the existence of the indebtedness evidenced by this Note;

(b) the liens and security interests created by the Security Documents, including the Mortgage, or the enforceability thereof or the right of the Holder to enforce same; or

(c) the right of the Holder to recover from the beneficiary of Maker one hundred percent (100%) of the costs or damages arising from any of the following: (i) fraud or material misrepresentation made in or in connection with the Note or any Security Document or any other instrument delivered by or on behalf of Maker or its beneficiary or any general partner in said beneficiary, or (ii) the misappropriation or misapplication by Maker or its beneficiary or any general partner in said beneficiary of (A) proceeds paid, prior to the foreclosure of the property encumbered by the Security Documents, under any insurance policy by reason of damage, loss or destruction to any portion of such property (to the full extent of such proceeds); (B) any proceeds or awards resulting from the condemnation, prior to foreclosure, of all or any part of the Mortgaged Property (to the full extent of such proceeds or awards); or (C) gross receipts from rental of the Mortgaged Property received or applicable to a period prior to any foreclosure of such property after notice of default except to the extent that such gross receipts have been applied in payment of normal operating expenses of the Property or payments due under this Note or any other Security Document (which gross receipts are and shall be deemed to be property of Holder) including, without limitation, the collection and retention of any such gross receipts after any notice of default or foreclosure or exercise of other remedies by Holder has been given to Maker; or (iii) any damage to the Mortgaged Property encumbered by the Security Documents caused by the willful or wanton act or omission of the beneficiary of Maker; or (iv) failure to comply with all of the terms and provisions of Article 1.22 of the Mortgage securing this Note regarding hazardous

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materials; or (v) causing cancellation of the hazard insurance related to the Mortgaged Property.

IN WITNESS WHEREOF, Maker has executed this Note as of the date first hereinabove written.

LASALLE NATIONAL BANK, not personally but solely as Trustee as aforesaid

By: _____
Its: _____

ATTEST:

Property of Cook County Clerk's Office

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EXHIBIT B

87627317

LOT 'A' IN F. AND L. CONSTRUCTION CORPORATION CONSOLIDATION OF LOT 9 (EXCEPT THE NORTH 15 FEET THEREOF) AND LOT 10 (EXCEPT THE SOUTH 25 FEET THEREOF) IN BLOCK 61 IN EVANSTON IN THE SOUTH WEST 1/4 OF SECTION 16, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

1567 N. Ridge

Evanston, Ill.

11-18-304-018

EC1 ~~AA~~

Property of Cook County Clerk's Office

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EXHIBIT D

Permitted Exceptions

1. Encroachment of concrete pavement located at westerly boundary of land primarily on Land, over and upon land south and adjoining a distance of *.16 FEET SOUTH.*
2. Encroachment of 8 inch concrete retaining wall located on the north line of land over and upon land and adjoining land a distance of *.07 FEET NORTH.*

Property of Cook County Clerk's Office

87627317

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IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the County of Cook, Illinois, this _____ day of _____, 20____.

Clerk of Cook County, Illinois

Property of Cook County Clerk's Office

2011/01/12