

MORTGAGE

THIS MORTGAGE made as of the 22<sup>nd</sup> day of December, 1987, between Bank of Ravenswood, as Trustee under Trust Agreement dated December 12, 1987 and known as Trust Number 25-8974, ("Trustee") and Tallud Properties, an Illinois General Partnership ("Tallud") (Trustee and Tallud collectively herein called "Mortgagors"), and Arnold Besse, William Root, Albert C. Hand, Joseph F. Glotzbach and Thomas L. Stevens, (Collectively "Mortgagee").

WITNESSETH:

WHEREAS, Mortgagors are indebted to Mortgagee in the principal sum of One Million Dollars (\$1,000,000) plus interest in the amount as provided in and evidence by a promissory note (the "Note") of even date herewith for said amount and payable in accordance with the terms thereof, the terms and provisions of which Note are hereby incorporated herein and made a part hereof by this reference with the same effect as if set forth at length.

The Note bears even date herewith and is payable in equal amounts to the five persons comprising Mortgagee, c/o Prince Realty at 357 West Erie Street, Chicago, Illinois 60610 (which indebtedness, including principal and all interest thereon as set forth in the Note, is hereinafter called the "Indebtedness").

NOW, THEREFORE, to secure (i) the payment of the Indebtedness, (ii) the repayment of any advances or expenses of any kind incurred by the Mortgagee pursuant to the provisions of or on account of the Note or of this Mortgage, (iii) the repayment of future advances, if any, disbursed by Mortgagee in accordance with the terms of the Mortgage in excess of the principal of the Indebtedness, and (iv) the performance and observance of all of the terms, covenants, provisions and agreements of this Mortgage and the Note the parties agree as follows:

never to exceed \$1,000,000

ARTICLE I

GRANT

1.01 The Mortgagors hereby grant, bargain, sell, release, convey, assign, transfer, mortgage and confirm unto the Mortgagee, and grant a security interest in, the real estate and other properties described in Schedule A hereto (hereinafter collectively called the "Property").

To have and hold the Property unto the Mortgagee, and its successors and assigns forever, for the uses and purposes herein set forth.

ARTICLE II

REPRESENTATIONS

2.01 Mortgagors represent that Trustee has good and marketable title to the Property. Mortgagors represent that each has good right and full power to sell and convey the same and Mortgagors represent that each has duly executed and delivered this Mortgage pursuant to proper directions and resolutions and that Mortgagors will make any further assurances of title that the Mortgagee may require and will defend the Property against all claims and demands whatsoever.

P.I.N. 17-09-214-006-0000

Prepared by & return to: Raffi Kalasdjian  
Arnold Besse & Brand  
115 S. LaSalle  
Chicago, IL 60603

350 W. Erie  
Chicago, IL

BOX 003-HV

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## ARTICLE III

### WAIVER OF REDEMPTION

3.01 The Mortgagors release and waive all rights to retain possession of the Property after any default in payment or breach of any of the obligations, covenants, undertakings or agreements herein or in the Note contained. Mortgagors hereby release and waive and all rights of redemption from sale under any order of decree of foreclosure of this Mortgage on its own behalf and on behalf of each and every person, except decree and judgment creditors of the Mortgagors, acquiring any interest in or title to the Property. Mortgagors shall not, and will not, apply for or avail themselves of any appraisal, valuation, stay, extension or exemption law, or so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waive the benefit of such laws. Mortgagors for themselves and all who may claim through or under them waive any and all right to have the Property, and any estates comprising the Property, marshalled upon any foreclosure of the lien hereon and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety.

## ARTICLE IV

### MORTGAGOR'S COVENANTS

4.01 Mortgagors covenant and agree to pay the Indebtedness and the other sums secured hereby in the manner and at the times provided for in the Note and in this Mortgage.

4.02 Mortgagors covenant and agree to pay, or cause to be paid, when due and payable by Mortgagors:

(a) all real estate taxes, personal property taxes, assessments, water and sewer rates and charges, and all other governmental levies and charges, of every kind and nature whatsoever, general and special, ordinary and extraordinary, unforeseen as well as foreseen, which shall be assessed, levied, confirmed, imposed or become a lien upon or against the Property or any portion thereof, and all taxes, assessments and charges upon the rents, issues, income or profits of the Property, or which shall become payable with respect thereto or with respect to the occupancy, use or possession of the Property, whether such taxes, assessments or charges are levied directly or indirectly (hereinafter collectively called the "Impositions").

(b) all other payments or charges required to be paid to comply with the terms and provisions of this Mortgage.

Unless Mortgagors are diligently pursuing the contesting procedures provided for in Paragraph 11.01 hereof, within ten days after written demand therefor, Mortgagors shall deliver to Mortgagee the original, or a photostatic copy, of the official receipt evidencing payment of Impositions or other proof of payment satisfactory to Mortgagee. Failure of Mortgagors to deliver to Mortgagee said receipts or to submit other proof satisfactory to Mortgagee as aforesaid shall constitute a default hereunder.

4.03 Mortgagors covenant and agree to promptly comply, or cause compliance with, all present and future laws, ordinances, rules, regulations and other requirements of all governmental authorities having or claiming jurisdiction of or with respect to the Property or any portion thereof or the use or occupation thereof.

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4.04 Mortgagors covenant and agree to keep and maintain, or cause to be kept and maintained, the Property (including all improvements thereon and the sidewalks, sewers, and curbs) in good order and condition and will make or cause to be made, as and when the same shall become necessary, all structural and non-structural, ordinary and extraordinary, foreseen and unforeseen repairs and all maintenance necessary to that end. Furthermore, and without limiting the generality of the foregoing, Mortgagors will suffer no waste. All repairs and maintenance required of Mortgagors shall be (in the reasonable opinion of Mortgagee) of first-class quality.

4.05 Mortgagors shall not make or cause to be made any improvements to the Property without first obtaining Mortgagee's written consent thereto.

4.06 Mortgagors shall obtain and keep in force during the term of this Mortgage public liability insurance, flood insurance, if applicable, and such other types of insurance in such amounts and in such form as Mortgagee shall require. Such insurance shall name Mortgagee as a co-insured and shall provide that it may not be cancelled or materially modified except after ten days prior written notice to Mortgagee. Mortgagors shall deliver evidence of such insurance to Mortgagee in such form and at such times as Mortgagee may require.

4.07 Mortgagors covenant and agree that this Mortgage is and will be maintained as a valid first mortgage lien on the Property and that Mortgagors will not, directly or indirectly, create or suffer or permit to be created, or to stand against the Property, or any portion thereof, or against the rents, issues and profits therefrom, any lien (including any liens arising with respect to the payment of impositions), security interest, encumbrance or charge whether or not prior to or subordinate to the lien of this Mortgage. Mortgagors will keep and maintain the Property free from all liens of persons supplying labor and materials for the construction, modification, repair or maintenance or any building or site improvement whether on the Property or not. If any such liens shall be filed against the Property, Mortgagors agree to discharge the same of record within thirty days after the liens are filed, or if not filed, within thirty days after Mortgagors have notice thereof; provided that in connection with any such lien or claim which Mortgagors may in good faith desire to contest, Mortgagors may contest the same by appropriate legal proceedings, diligently prosecuted, but only if Mortgagors shall furnish to a Title Insurance Company approved by Mortgagee such security or indemnity as the Title Insurance Company may require to induce it to issue its preliminary report on title, or its title insurance policy, insuring against all such claims or liens. In no event shall Mortgagors do, or permit to be done, or omit to do, or permit the omission of, any act or thing, the doing or omission of which would impair the security of this Mortgage.

4.08 Mortgagors covenant and agree, so long as the Indebtedness remains outstanding, to comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental authority or court applicable to the Mortgagors or applicable to the Property or any part thereof.

4.09 Mortgagors covenant and agree that all awards heretofore or hereafter made by any public or quasi-public authority to the present and all subsequent owners of the Property by virtue of an exercise of the right of eminent domain by such authority, including any award for a taking of title, possession or right of access to a public way, or for any change of grade of streets affecting the Property, are hereby assigned to the Mortgagee; and the Mortgagee, at its option, is hereby authorized, directed and empowered to collect and receive

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the proceeds of any such award and awards from the authorities making the same and to give proper receipts and acquittances therefor, and may, at the Mortgagee's election, use such proceeds in any one or more of the following ways: (i) apply the same or any part thereof upon the Indebtedness, whether such Indebtedness then be matured or unmatured, (ii) use the same or part thereof to fulfill any of the covenants contained herein as the Mortgagee may determine, (iii) use the same or any part thereof to replace or restore the Property to a condition satisfactory to the Mortgagee, or (iv) release the same to the Mortgagor; and Mortgagors hereby covenant and agree to and with the Mortgagee, upon request by the Mortgagee, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning all such awards to the Mortgagee free, clear and discharged of any and all encumbrances of any kind or nature whatsoever. Nothing in this paragraph shall prevent Mortgagors from participating in the negotiation of any award so long as Mortgagors are not in default hereunder or under the Note or Loan Agreement.

4.10 Mortgagors covenant and agree that they will promptly perform and observe, or cause to be performed or observed, all of the terms, covenants and conditions of all instruments of record affecting the Property, noncompliance with which shall affect the security of this Mortgage or impose any duty or obligation upon Mortgagors, or any of them, and Mortgagors shall do or cause to be done, all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of, or constituting any portion of the Property.

4.11 Mortgagors covenant and agree that neither the value of the Property nor the lien of this Mortgage will be diminished or impaired in any way by any act or omission of the Mortgagors, and the Mortgagors agree they will not do or permit to be done to, in upon or about said Property, or any part thereof, anything that may in any wise impair the value thereof, or weaken, diminish, or impair the security of this Mortgage.

4.12 Subject to the rights granted Mortgagors in Paragraph 11.01 of this Mortgage, Mortgagors covenant and agree to promptly pay and discharge any and all license fees or similar charges, with penalties and interest thereon, which may be imposed by the municipality or county in which the Property is situated or any other governmental body having jurisdiction thereof and will promptly cure any violation of law and comply with any order of said municipality, county or other governmental body in respect of the repair, replacement or condition of the Property and any governmental regulations concerning environmental control and improvements that in default thereof, Mortgagee may, but shall not be required to, pay any and all such license fees or similar charges or comply with such regulations with penalties and interest thereon, or pay such charges of the municipality, county or other governmental body for such repair or replacement, and all amounts so paid same shall thereupon be liens upon the Property and secured by this Mortgage, and Mortgagors will repay the same upon demand, with interest thereon at the rate of sixteen (16%) percent per annum.

4.13 Mortgagors covenant and agree that if any action or proceeding is commenced in which it becomes necessary to defend or uphold the lien and interest of this Mortgage or to preserve the value of the security for this Mortgage, all sums paid by Mortgagee for the expense of any such litigation to prosecute or defend the rights, lien and security interest created by this Mortgage (including reasonable attorneys fees) shall be paid by Mortgagors, together with the interest thereon at the rate of sixteen (16%) percent per annum, and any such sums and the interest thereon shall be a lien and security interest on the

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Property prior to any right or title to, interest in or claim upon the Property attaching or accruing subsequent to the lien and security interest of this Mortgage, and shall be secured by this Mortgage.

4.14 In order to assure the payment of taxes and insurance premiums payable with respect to the Property as and when the same shall become due and payable:

(a) Mortgagors shall deposit with the Mortgagee on the 22<sup>nd</sup> day of each and every month, commencing with the date the first payment of interest and/or principal and interest shall become due on the Indebtedness, an amount equal to:

(i) One-Twelfth (1/12th) of the taxes next to become due upon the Property; provided that, in the case of the first such deposit, there shall be deposited in addition, an amount as estimated by Mortgagee which, when added to monthly deposits to be made thereafter as provided for herein, shall assure to Mortgagee's satisfaction that there will be sufficient funds on deposit to pay taxes as they come due; plus

(ii) One-Twelfth (1/12th) of the annual premiums on each policy of insurance upon the Property; provided that, with the first such deposit there shall be deposited in addition, an amount equal to one-twelfth of such annual insurance premiums multiplied by the number of months elapsed between the date premiums on each policy were last paid to and including the date of deposit;

provided that the amount of such deposits (herein generally called "Tax and Insurance Deposits") shall be based upon Mortgagee's reasonable estimate as to the amount of taxes and premiums of insurance next to be payable;

(b) The aggregate of the monthly Tax and Insurance Deposits, together with monthly payments of interest and/or principal and interest payable on the Note, shall be paid in a single payment each month.

(c) Mortgagee will, out of the Tax and Insurance Deposits, upon the presentation to Mortgagee by Mortgagors of the bills therefor, pay the insurance premiums and taxes or will, upon presentation of receipted bills therefor, reimburse Mortgagors for such payments made by Mortgagors provided that (i) if the total Tax and Insurance Deposits on hand shall not be sufficient to pay all of the taxes and insurance premiums when the same shall become due, then Mortgagors shall pay to Mortgagee on demand any amount necessary to make up the deficiency, and (ii) if the total of such Deposits exceed the amount required to pay the taxes and insurance premiums, such excess shall be credited on subsequent payments to be made for such items;

(d) 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 Tax and Insurance Deposits on hand to any of the Indebtedness, in such order and manner as Mortgagee may elect, and in such case Mortgagors will replenish any Tax and Insurance Deposits so applied within 5 days after Mortgagee's demand; provided that when the Indebtedness has been fully paid, then any remaining Tax and Insurance Deposits shall be paid to Mortgagors;

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(e) All Tax and Insurance Deposits are hereby pledged as additional security for the Indebtedness, and shall be held in trust to be irrevocably applied for the purposes for which made as herein provided, and shall not be subject to the direction or control of Mortgagors;

(f) All Tax and Insurance Deposits in the hands of Mortgagee shall be held without allowance of interest and need not be kept separate and apart but may be commingled with any funds of the Mortgagee until applied in accordance with the provisions hereof.

## ARTICLE V

### TRANSFER OR MORTGAGE OF PROPERTY

5.01 Mortgagors will not, without the prior written consent of Mortgagee, further mortgage, grant a deed of trust, pledge or otherwise dispose of or further encumber, whether by operation of law or otherwise, any or all of their interest in the Property. Mortgagors will not, without the prior written consent of Mortgagee, sell, assign, or transfer the Property or any interest therein, or contract for, create, suffer or permit any such sale, assignment or transfer. Any sale, assignment, transfer, mortgage, deed of trust, pledge, change or other disposition or encumbrance made in violation of the above provisions shall be null and void and of no force and effect and the making thereof shall constitute a default under this Mortgage.

## ARTICLE VI

### PERFORMANCE OF MORTGAGORS' OBLIGATIONS

6.01 If Mortgagors shall fail to pay any Impositions or to make any other payment required to be paid by Mortgagors under this Mortgage at the time and in the manner provided in this Mortgage, or if Mortgagors shall be in default in the performance or observance of any other term, covenant, condition or obligation required to be performed or observed by Mortgagor under the Mortgage, the Note or any instrument of record, then without limiting the generality of any other provisions of this Mortgage, and without waiving or releasing Mortgagors from any of their obligations hereunder, Mortgagee shall have the right, but shall be under no obligation, to pay any Impositions or other payment, or any sums due under this Mortgage, and may perform any other act or take such action as may be appropriate to cause such other term, covenant, condition or obligation to be promptly performed or observed on behalf of Mortgagors. In any such event, Mortgagee and any person designated by Mortgagee shall have, and is hereby granted, the right to enter upon the Property at any time and from time to time for the purposes of performing any such act or taking any such action, and all moneys expended by Mortgagee in connection with making such payment or performing such act (including, but not limited to, legal expenses and disbursements), together with interest thereon at the rate of sixteen (16%) percent per annum, from the date of each such expenditure, shall be paid by Mortgagors to Mortgagee within ten (10) days after written notice to Mortgagor demanding such payment, and shall be secured by this Mortgage, and Mortgagee shall have, in addition to any other right or remedy of Mortgagee, the same rights and remedies in the event of nonpayment of any such sums by Mortgagors as in the case of a default by Mortgagors in the payment of the Indebtedness. Nothing in this Paragraph or in any other part of this Mortgage shall be construed to require Mortgagee to make any payment or perform any obligation of Mortgagors or any of them. Any action taken by Mortgagee hereunder or in relation to the Property is for the sole benefit of Mortgagee and no other person shall rely upon any action, inaction, inspection or other act of Mortgagee in dealing with the Property or Mortgagors.

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## ARTICLE VII

### ASSIGNMENT OF LEASES AND RENTS

7.01 Mortgagors hereby assign to Mortgagee all Mortgagors' interest in all rents, issues and profits of the Property, including Mortgagors' interest in all leases currently or in the future applicable to the Property, as further security for the payment of the Indebtedness and other sums secured hereby and Mortgagors grant to Mortgagee the right to enter the Property for the purpose of collecting the same and to let the Property, or any part thereof, and to apply said rents, issues and profits, after payment of all necessary charges and expenses, on account of the Indebtedness and other sums secured hereby. This assignment and grant shall continue in effect until the Indebtedness and other sums secured hereby are paid in full, but Mortgagee hereby waives the right to enter the Property for the purpose of collecting said rents, issues and profits, and Mortgagors shall be entitled to collect and receive said rents, issues and profits, except during the continuance of a default by Mortgagors under the terms and provisions hereof. Mortgagors agree to apply said rents, issues and profits to payment of the Indebtedness, all Impositions on or against the Property and other sums secured hereby. The right of Mortgagors to collect and receive said rents, issues and profits may be revoked by Mortgagee during the continuance of any default by Mortgagors under the terms and provisions of this Mortgage by giving written notice of such revocation to Mortgagor.

7.02 Mortgagors will, from time to time after notice and demand, execute and deliver to Mortgagee, in form satisfactory to Mortgagee, further agreements evidencing their willingness to comply and their compliance with the provisions of this Article VII. Mortgagors shall pay Mortgagee the expenses incurred by Mortgagee in connection with the recording of any such agreement.

7.03 The assignment contained in this Article VII is given as collateral security and the execution and delivery hereof shall not in any way impair or diminish the obligations of the assignor or Mortgagors, nor shall this assignment impose any obligation on the Mortgagee to perform any provision of any lease or other contract pertaining to the Property or any responsibility for the non-performance thereof by Mortgagors or any other person.

## ARTICLE VIII

### CHANGES IN TAX LAWS; PAYMENT OF OTHER TAXES

8.01 In the event of the passage after the date of this Mortgage of any law applicable to the Property deducting from the value of land for the purpose of taxation any lien thereon, or changing in any way materially adverse to Mortgagee the laws for the taxation of mortgages or debts secured by mortgages for state or local purposes, or the manner of the collection of any such taxes, the holder of this Mortgage and of the Indebtedness secured hereby shall have the right to give ninety days' written notice to the then owner of the Property requiring the payment of the Indebtedness. If such notice be given, said Indebtedness shall become due, payable and collectible at the expiration of said thirty days, provided, however, that such requirement of payment shall be ineffective if the Mortgagors are permitted by law to pay the whole of such tax in addition to all other payments required hereunder, without any penalty thereby accruing to the holder of this Mortgage and the debt secured hereby, and if the Mortgagors pay such tax prior to the date upon which payment is required by such notice.

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8.02 In the event that hereafter it is claimed by any governmental agency that any tax or other governmental charge or imposition is due, unpaid or payable by Mortgagors or Mortgagee upon the Indebtedness (other than income tax on the interest or premium receivable by Mortgagee thereunder), including any recording tax, documentary stamps or other tax or imposition on the Note or Mortgage, Mortgagors will forthwith either (i) pay such tax and, within a reasonable time thereafter, and deliver to Mortgagee satisfactory proof of payment thereof or (ii) deposit with Mortgagee the amount of such claimed tax or other governmental charge or imposition, together with interest and penalties thereon, or other security reasonably satisfactory to Mortgagee, pending an application for a review of the claim for such tax or other governmental charge or imposition and, within a reasonable time, deliver to Mortgagee either (a) evidence satisfactory to Mortgagee that such claim has been withdrawn or defeated, in which event any such deposit shall be returned to Mortgagors, or (b) a direction from Mortgagors to Mortgagee to pay the same out of the deposit above mentioned, with any excess due over the amount of said deposit to be paid by Mortgagors directly to the taxing authority and any excess of such deposit over such payment by Mortgagee to be returned to Mortgagors provided Mortgagors are not in default under the provisions of the Mortgage. Upon the failure of Mortgagors to comply with the provisions of this paragraph the entire Indebtedness shall, at the option of Mortgagee, become due and payable ten days after written notice from Mortgagee. If liability for such tax or other governmental charge or imposition is asserted against Mortgagee, Mortgagee will give to Mortgagors prompt notice of such claim and Mortgagors upon complying with the provisions of this section, shall have full right and authority to contest such claim.

## ARTICLE IX

### DEFAULT

9.01 The entire Indebtedness shall become due, at the option of Mortgagee, if any one or more of the following events of default shall occur:

(a) Failure of Mortgagors for a period of thirty days after written notice from Mortgagee to observe or perform any of the covenants or conditions by Mortgagors to be performed under the terms hereof, other than payment of the Indebtedness as provided in the Note;

(b) Failure of Mortgagors to observe or perform any of the conditions, terms, covenants or agreements contained in the Note, including payment of the Indebtedness as provided in the Note;

(c) The occurrence of any default under any instrument evidencing or securing any other debt of Mortgagors and constituting a lien on the Property (or any part thereof) and the continuance of such default beyond any applicable grace period contained therein;

(d) If any one of the Mortgagors or any one of the Guarantors of the Note shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the present or any future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of said Mortgagors, or any one of the Guarantors of the Note, or of all or any substantial part of their respective properties or of the Property; or if within ninety days

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after the commencement of any proceeding against any of the Mortgagors, or any one of the Guarantors of the Note, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the present or any future federal bankruptcy act or any present or future applicable federal, state or other statute or law, such proceeding shall not be dismissed; or if, within ninety days after the appointment of any trustee, receiver, liquidator of any of the Mortgagors, or any one of said Guarantors (without the consent or acquiescence of such party) or of all or any substantial part of their respective properties or of the Property, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within ninety days after the expiration of any such stay, such appointment shall not have been vacated.

(e) The assignment, pledge, hypothecation, or other disposition of the Property in violation of the provisions of Paragraph 5.01 hereof.

9.02 When the Indebtedness hereby secured shall become due, whether by acceleration or otherwise, the holders of the Note or Mortgagee shall have the right to foreclose the lien hereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree of sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee, or holders of the Note, for reasonable attorneys' fees, court costs, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs of procuring title insurance policies (which fees, charges and costs may be estimated as to items to be expended after entry of the decree), and all other expenses as Mortgagee or holders of the Note may deem reasonably necessary to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Property. All expenditures and expenses of the nature in this section mentioned shall become so much additional indebtedness secured hereby and shall be immediately due and payable with interest thereon at the rate in effect under the Note when paid or incurred by Mortgagee or holders of the Note. In addition to foreclosure proceedings, the above provisions of this subparagraph 9.02 shall apply to (a) any proceeding to which Mortgagee or the holders of the Note shall be a party, either as plaintiff, claimant, or defendant, by reason of this Mortgage or any Indebtedness hereby secured; (b) preparations for the commencement of any suit for foreclosure hereof after accrual of such right to foreclosure whether or not actually commenced; or (c) preparation for the defense of or investigation of any threatened suit, claim or proceeding which might affect the Property or the security hereof, whether or not actually commenced.

9.03 The proceeds of any foreclosure sale of the Property 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, without limitation, all such items as are mentioned in the preceding paragraph hereof; second, all other items which under the terms hereof constitute indebtedness secured by this Mortgage; third, any surplus to Mortgagors, its legal representatives or assigns, as their rights may appear.

9.04 Upon, or at any time after the filing of a bill to foreclose this Mortgage, the court in which such bill is filed may appoint a receiver of the Property. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency at the time of application for such receiver of the person or persons, if any, liable for the payment of the Indebtedness and other sums secured hereby and

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without regard to the then value of the Property, and the Mortgagee hereunder may be placed in possession of the Property. The receiver shall have power to collect the rents, issues and profits of the Property during the pendency of such foreclosure suit, as well as during any further times when Mortgagee, its successors or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Property during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of the Indebtedness and other sums secured hereby, or in payment of any tax, special assessment or other lien which may be or become superior to the lien hereof or superior to a decree foreclosing this Mortgage, provided such application is made prior to foreclosure sale.

## ARTICLE X

### INSPECTION

10.01 Mortgagors covenant and agree that Mortgagee, or its agents or representatives, may make such inspections of the Property as Mortgagee may deem necessary or desirable, at all reasonable times and that any such inspections shall be solely for the benefit of Mortgagee and shall not be relied upon by Mortgagors for any purpose.

## ARTICLE XI

### CONTESTING LIENS AND IMPOSITIONS

11.01 Mortgagors at their expense, may contest, after prior written notice to Mortgagee, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any impositions described in Paragraph 4.02, any license fees or similar charges, or any mechanic's lien filed against the Property provided that (a) Mortgagors shall first make all contested payments, under protest if it desires, unless such proceedings shall suspend the collection thereof, (b) neither the Property nor any part thereof or interest therein are at any time in any danger of being sold, forfeited, lost or interfered with, and (c) Mortgagors shall have furnished such security, if any, as may be required in the proceedings or reasonably requested by Mortgagee.

## ARTICLE XII

### ASSIGNMENT BY MORTGAGEE

12.01 Mortgagee may assign all or any portion of its interest hereunder and its rights granted herein and in the Note to any person, trust, financial institution or corporation as Mortgagee may determine and upon such assignment, such assignee shall thereupon succeed to all the rights, interests, and options of Mortgagee herein and in the Note contained.

## ARTICLE XIII

### CASUALTY INSURANCE

13.01 (a) Mortgagor will procure, deliver to and maintain for the benefit of Mortgagee during the continuance of this Mortgage and until the same is fully satisfied and released, a policy or policies of insurance insuring the buildings, structures and improvements now existing or hereafter created on said Property against loss or damage by fire, lightning, windstorm, hail, explosion, riot, civil commotion, aircraft,

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vehicles, smoke and such other hazards, casualties, and contingencies as Mortgagee may designate. All policies of insurance required hereunder shall be in such form, companies, and amounts as may be acceptable to Mortgagee, and shall contain a mortgagee clause acceptable to Mortgagee, with loss payable to Mortgagee. Mortgagor will promptly pay when due, any premiums on any policy or policies of insurance required hereunder, and will deliver to Mortgagee renewals of such policy or policies at least ten (10) days prior to the expiration dates thereof; the said policies and renewals to be marked "paid" by the issuing company or agent. Upon Mortgagor's failure to comply with the requirements of this paragraph, Mortgagee may, in its discretion, effect any insurance required hereunder and pay the premiums due therefor, and any amounts so paid by Mortgagee shall become immediately due and payable by Mortgagor with interest as described in Section 6.01 hereof, and shall be secured by this Mortgage. The delivery to Mortgagee of any policy or policies of insurance hereunder, or renewals thereof, shall constitute an assignment to Mortgagee of all unearned premiums thereon as further security for the payment of the indebtedness secured hereby. In the event any foreclosure action or other proceeding hereunder is instituted by Mortgagee, all right, title and interest of Mortgagor in any or to any policy or policies of insurance then in force shall vest in Mortgagee.

13.02 In the event of any loss or damage, Mortgagor will give immediate notice thereof to Mortgagee, and Mortgagee may make proof of such loss or damage, if the same is not promptly made by Mortgagor. All proceeds of insurance, in the event of such loss or damage, shall be payable to Mortgagee, and any affected insurance company is authorized and directed to make payment thereof directly to Mortgagee. Mortgagee is authorized and empowered to settle, adjust, or compromise any claims for loss, damage or destruction under any policy or policies of insurance. All such insurance proceeds may, at the sole discretion of Mortgagee, be applied to the restoration, repair, replacement or rebuilding of the property, or to reduce the outstanding principal balance of the indebtedness.

## ARTICLE XIV

### MISCELLANEOUS

14.01 The rights of Mortgagee arising under the provisions and covenants contained in this Mortgage, and the Note and other documents securing the indebtedness or any part thereof shall be separate, distinct and cumulative and none of them shall be in exclusion of the others. No act of Mortgagee shall be construed as an election to proceed under any one provision herein or in such other documents to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.

14.02 A waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof, or of the Note or any other documents given by Mortgagors to secure the indebtedness, or any part thereof, shall apply to the particular instance or instances and at the particular time or times only, and no such waiver shall be deemed a continuing waiver but all of the terms, covenants, conditions and other provisions of this Mortgage and of such other documents shall survive and continue to remain in full force and effect. No waiver shall be asserted against Mortgagee unless in writing signed by Mortgagee.

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

# UNOFFICIAL COPY

14.04 All notices demands and requests given or required to be given by either party hereto to the other party shall be in writing. All notices, demands and requests by Mortgagee to Mortgagors shall be deemed to have been properly given if sent by U.S. registered or certified mail, postage prepaid, addressed to Mortgagors at:

Tallud Properties  
1/a Inter-Pacific Travel Service, Inc.  
Write 24c 221 E. Michigan Ave.  
Chicago, Ill. 60601

or to such other address as Mortgagors may from time to time designate by written notice to Mortgagee given as herein required. All notices, demands and requests by Mortgagors to Mortgagee shall be deemed to have been properly given if sent by U.S. registered or certified mail, postage prepaid, addressed to Mortgagee at:

c/o Prince Realty  
357 West Erie Street  
Chicago, Illinois 60610

or to such other address as Mortgagee may from time to time designate by written notice to Mortgagors.

14.05 If any action or proceeding shall be instituted to evict Mortgagor or recover possession of the Property or any part thereof, or for any other purpose affecting the Property or this Mortgage, or if any notice relating to a proceeding or a default is served on Mortgagors, or any of them, Mortgagors will immediately, upon service thereof on or by Mortgagors, deliver to Mortgagee a true copy of each notice, petition or other paper or pleading, however designated.

IN WITNESS WHEREOF, Mortgagors have caused this Mortgage to be executed on the day and year first above written.

BANK OF RAVENSWOOD, as Trustee  
under Trust Agreement dated  
December 12, 1987 and known as  
Trust Number 25-8974

By: [Signature]  
Its: Assistant Vice President

ATTEST:

By: [Signature]  
Its: Land Trust Officer

TALLUD PROPERTIES, an Illinois  
General Partnership

By: [Signature]  
Rico Tallud, Partner

By: [Signature]  
Reynaldo Tallud, Partner

COOK COUNTY, ILLINOIS  
FILED FOR RECORD

1987 DEC 23 PM 3:15

Trustee's Execution Rider Area

87673022

# UNOFFICIAL COPY

Red Herein And Made A Part Hereof

## MORTGAGE EXONERATION RIDER

This MORTGAGE is executed by Bank of Ravenswood, not personally not as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Bank of Ravenswood, hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said Note contained shall be construed as creating any liability on the said Trustee or on said Bank of Ravenswood 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, or on account of any warranty or indemnification made hereunder, 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 Trustee and its successors and said Bank of Ravenswood personally are concerned, the legal holder or holders of said Note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said Note provided or by action to enforce the personal liability of the guarantor, if any.

87673022

STATE OF ILLINOIS )  
                          ) SS  
COUNTY OF COOK   )

Cook County Clerk's Office

87673022

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY, THAT DOUGLAS W. MYERS Vice President of Bank of Ravenswood, and MARTIN S. EDWARDS Land Trust Officer of said Bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Land Trust Officer 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 said Bank, for the uses and purposes therein set forth; and the said Land Trust Officer did also then and there acknowledge that he, as custodian of the corporate seal of said Bank, did affix the said corporate seal of said Bank to said instrument as his own free and voluntary act, and as the free and voluntary act of said Bank for the uses and purposes therein set forth.

Given under my hand and Notary Seal this 23rd day of December, 19 87



Silvia Medina  
Notary Public

# UNOFFICIAL COPY

## SCHEDULE A TO MORTGAGE LEGAL DESCRIPTION

LOTS 17, 18 AND 19 IN MARTINS SUBDIVISION OF BLOCK 14 IN BUTLER, WRIGHT AND WEBSTERS ADDITION TO CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Together with: All and singular the easements, tenements, hereditaments, appurtenances and other rights and privileges belonging or in any way now or hereafter appertaining to the above described property, and the rents, issues and profits thereof which are pledged primarily and on a party with said real estate and not secondarily, and also all apparatus, equipment and fixtures now or hereafter erected or placed in or upon said real estate by attachment thereto; including without in any way limiting the generality of the foregoing, all furnances, heaters, stoves, ranges, mantels, gas and electric light fixtures, refrigerating apparatus, ventilating or air conditioning system, floor coverings, pipes, utilities, wires and plumbing whether now or hereafter acquired, all of which shall be subject to this Mortgage and all of which are to become fixtures and to the extent permitted by law, be considered part of the hereinabove described real estate.

# UNOFFICIAL COPY

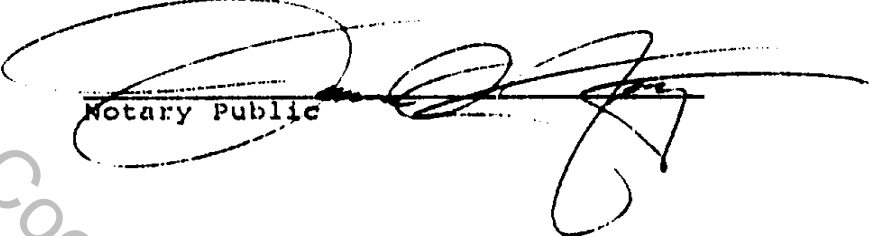
STATE OF Ill )

) SS

COUNTY OF Cook )

I, JAMES A. GATELY, a Notary Public in and for the County and State aforesaid, do hereby certify that Rico Tallud and Reynaldo Tallud, General Partners in Tallud Properties, an Illinois General Partnership, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, respectively, appeared before me in person and acknowledged that they signed and delivered the same instrument as their own free and voluntary act, and as the free and voluntary act of said partnership, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 22 day of December, 1987.

Notary Public 

My Commission Expires:

6-2-89

Property of Cook County Clerk's Office

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