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MORTGAGE

THIS MORTGAGE is made this 5th day of May, 1987 between Jarvis Associates, an general partnership ("Mortgagor"), whose address is c/o Hopkins & Sutter, Three First National Plaza, Chicago, Illinois and SWISS BANK CORPORATION, an institution organized under the laws of Switzerland acting through its Chicago Branch ("Mortgagee"), with offices at Three First National Plaza, Suite 2100, Chicago, Illinois 60602.

W I T N E S S E T H:

WHEREAS, Marcel Spichiger, one of Mortgagor's general partners ("Partner") and Mortgagee have entered into a certain Loan Agreement dated as of April 30, 1987 (the "Agreement");

WHEREAS, the Agreement provides for the extension of credit of up to Three Million Five Hundred and No/100's Dollars (\$3,500,000.00) to Partner (the "Credit");

WHEREAS, the Credit may be drawn upon by Partner in as many as two separate loans, each of which loans will be evidenced by a note executed by Partner as of the date of each loan (the "Notes");

WHEREAS, the face amount of the Notes shall aggregate and total no greater than the Credit.

WHEREAS, the terms of the Agreement require the execution, delivery and recording of this Mortgage to secure the payment of all sums advanced pursuant to: (i) the Notes; (ii) the Agreement; (iii) the Mortgages (as defined in the Agreement); (iv) the Assignments of Rent (as defined in the Agreement); and (v) any other Loan Documents (as defined in the Agreement) and also to secure the representations, covenants and agreements of Mortgagor, the other Mortgagors (as defined in the Agreement) and Partner contained in the Notes, the Agreement, the Mortgages, the Assignments of Rent and the other Loan Documents (which Notes, Agreement, Mortgages, Assignments of Rent and other Loan Documents are hereinafter collectively called the "Obligations");

NOW, THEREFORE, (x) for and in consideration of: (i) the making and extension of the Credit by Mortgagee, (ii) other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and (iii) the recitals set forth above, and (y) to secure the Credit and all other debt presently or in the future owed by Mortgagor, the other Mortgagors and

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Partner to Mortgagee under the Obligations and also to secure the performance by Mortgagor, the other Mortgagors and Partner of all of their covenants, agreements and duties under the Obligations, Mortgagor does by these presents CONVEY, WARRANT AND MORTGAGE unto Mortgagee, its successors and assigns, the real estate described in Exhibit A attached hereto and made a part hereof and all of its estate, right, title and interest therein, situate, lying and being in the County of Cook and State of Illinois, which, with the property hereinafter described, is referred to as the "Premises," the address of which Premises is 2347-57 West Jarvis, Chicago, Illinois.

TOGETHER with all of Mortgagor's right, title and interest in all improvements, tenements, easements, fixtures, and appurtenances thereto pertaining or belonging whether now held or hereafter acquired, and all rents, issues and profits including but not limited to all of Mortgagor's right, title and interest in all fixtures, apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air cooling, air conditioning, water, light, power, sanitation, sprinkler protection, waste removal, refrigeration (whether single units or centrally controlled), and ventilation, including (without limiting the foregoing), all of Mortgagor's right, title and interest in all other fixtures, apparatus, equipment, furniture, furnishings, and articles used or useful in connection with the operation of the Premises and related facilities now or hereafter located upon said Premises, and all of Mortgagor's right, title and interest in all shades, awnings, venetian blinds, screens, screen doors, storm doors and windows, stoves and ranges, curtain fixtures, partitions, attached floor coverings, now or hereafter therein or thereon whether now held or hereafter acquired, it being understood that the enumeration of any specific articles of property shall in no way result in or be held to exclude any items of property not specifically mentioned, together with all proceeds if or from any if the foregoing property;

TOGETHER with all estate, interest, right, title, claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereinafter acquire in the Premises, as more specifically set forth in this Mortgage, and any and all awards made for the taking by eminent domain, or by any proceedings or purchase in lieu thereof, as more specifically set forth in this Mortgage.

All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a

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unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall for the purposes of this Mortgage be deemed to be real estate and conveyed and mortgaged hereby. This Mortgage is also hereby deemed to be a Security Agreement under the Illinois Uniform Commercial Code ("UCC") for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Mortgagee as Secured Party (as said term is defined in the UCC), securing the Obligations and Mortgagee shall have in addition to its rights and remedies hereunder all rights and remedies of a Secured Party under the UCC. As to above personal property which the UCC classifies as fixtures, this instrument shall constitute a fixture filing and financing statement under the UCC.

Mortgagor covenants (i) that it is lawfully seized of the Premises, (ii) that the same are subject only to the liens, encumbrances, conditions, restrictions, easements, leases, and other matters, rights or interests disclosed in Exhibit B attached hereto and made a part hereof (herein called "Permitted Encumbrances"); and (iii) that Mortgagor has good right, full power and lawful authority to convey and mortgage the same; and further, Mortgagor shall warrant and forever defend the Premises and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

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

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

Obligations Secured

1. This Mortgage is to secure:

(a) all indebtedness evidenced under the Notes, including any future advances, the principal amount of which shall not exceed Three Million Five Hundred Thousand and 10/100 Dollars (\$3,500,000.00), plus all interest accruing thereon, and costs due and payable in connection therewith, and all other amounts due thereunder and otherwise secured hereby under law, subject to Section 31 hereof;

(b) all other sums advanced pursuant to the provisions of the Agreement, this Mortgage or the other Obligations, subject to Section 31 hereof; and

(c) the performance by Mortgagor, Partner and the other Mortgagors of all other covenants, agreements and obligations on their part contained in the Obligations; and

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

2. (a) Mortgagor shall (i) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (ii) keep the Premises in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien of any kind or nature whatsoever (collectively called "Liens"); (iii) pay when due any indebtedness which may be secured by a Lien and comply with all requirements of all loan documents evidencing or securing such indebtedness, and upon request, exhibit satisfactory evidence of the discharge of any such lien to Mortgagee; (iv) comply with all requirements of law, municipal ordinances, or restrictions of record with respect to the Premises and the use thereof, the noncompliance with which would materially impair the use, occupancy or value of the Premises; (v) make no material alterations in the Premises without the consent of Mortgagee except as required by law or municipal ordinance, which consent shall not be unreasonably withheld; (vi) suffer or permit no change in the general nature of the occupancy or use of the Premises; (vii) initiate or acquiesce in no zoning variation or reclassification without Mortgagee's prior written consent, which consent shall not be unreasonably withheld; (viii) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof, and pay, perform, satisfy and discharge each of the Obligations when required to do so under the terms thereof.

(b) Anything in Section 2(a)(ii) and 2(a)(iii) of this Mortgage to the contrary notwithstanding Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any Lien, and defer payment and discharge thereof during the pendency of such contest, provided that such contest shall have the effect of preventing the sale or forfeiture of the Premises or any part thereof, or any interest therein, to satisfy such Lien and that, at least ten (10) days prior to such contest Mortgagor shall notify Mortgagee of its intentions and, if requested by Mortgagee, shall have deposited such sums with Mortgagee as Mortgagee shall, from time to time, deem to be required to pay the contested Lien in full. Such deposits, if any, are to be held without any allowance of interest. If Mortgagor shall: (x) fail to prosecute such contest with reasonable diligence, or (y) fail to pay the amount of the Lien plus any interest finally determined to be due upon the conclusion of such contest, over and above any amount which Mortgagee is to pay as provided below, or (z) if requested, fail to maintain sufficient funds on deposit as hereinabove provided, then Mortgagee may, at its option, apply the money so deposited in payment of or on account of such

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Lien, or that part thereof then unpaid, together with all interest thereon. Mortgagee shall, upon the final disposition of such contest, apply any money so deposited in full payment of such Lien or that part thereof then unpaid, together with all interest thereon, when so requested in writing by Mortgagor and when furnished by Mortgagor with sufficient funds to make such payment in full and with evidence satisfactory to Mortgagee of the amount of payment to be made.

Payment of Taxes

3. (a) Mortgagor shall pay, before the due date thereof, all general real estate taxes, special taxes, special assessments and other utility charges which may form a Lien upon the Premises, and shall, upon written request by Mortgagee, promptly furnish to Mortgagee duplicate receipts evidencing such payment.

(b) Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any such taxes or assessments provided that such contest shall have the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of the Premises or any part thereof, or any interest therein, to satisfy the same and that Mortgagor shall, if requested, deposit with Mortgagee a sum of money from time to time deemed adequate by Mortgagee to pay such taxes, and any penalty and interest thereon, in full. Said deposits shall be held and applied in the same manner as deposits are held and applied under Section 2(b) hereof in the case of contests of Liens.

Insurance

4. Notwithstanding any provision to the contrary contained in the Agreement, Mortgagor shall keep all buildings and improvements now or hereafter situated on the Premises insured for their full replacement cost (excluding foundations, excavation and footings) against loss or damage by fire, tornado, windstorm and extended coverage perils and such other hazards as may be reasonably required by Mortgagee, including, without limitation, rent loss insurance (whenever in the opinion of Mortgagee such protection is necessary), war damage insurance (whenever in the reasonable opinion of Mortgagee such protection is necessary and is available from an agency of the United States of America), and flood insurance, if the Premises are located in a flood hazard area. Mortgagor shall also provide liability insurance with such limits for personal injury and death and property damage as Mortgagee may from time to time require naming Mortgagee as an additional insured party by specific endorsement. All policies of insurance to be

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furnished hereunder shall be in forms, companies and amounts satisfactory to Mortgagee, with mortgagee clauses attached to all casualty policies in favor of and in form satisfactory to Mortgagee naming Mortgagee as loss payee, and all policies shall include a provision requiring that the coverage evidenced thereby shall not be terminated or modified without thirty (30) days prior written notice to Mortgagee. Mortgagor shall deliver copies of all policies or duplicate original certificates evidencing such insurance, including copies of additional and renewal policies or duplicate original certificates, together with evidence of payment of premiums thereon, to Mortgagee, and, in the case of insurance about to expire, shall deliver duplicate original certificates and copies of each renewal policy not less than thirty (30) days prior to their respective dates of expiration. Mortgagor will not permit any condition to exist which would wholly or partially invalidate any insurance thereon. 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 mortgage 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 (or certificates evidencing) such insurance.

Adjustment of Losses with Insurer and Application of Proceeds of Insurance

5. In case of fire or other casualty, Mortgagee (or after entry of decree of foreclosure, purchaser at the sale, or the decree creditor, as the case may be) shall have the sole right and discretion to (i) settle and adjust any claim under such insurance policies or (ii) allow Mortgagor to agree with the Insurance company or companies on the amount to be paid upon the loss. In either case, Mortgagee is authorized to collect and receipt for any such insurance proceeds. Such insurance proceeds may, according to the agreement of the parties hereto, be either (a) applied in payment, reduction or satisfaction of one or more of the Obligations whether due or not, in such order as Mortgagee may elect, or (b) used to reimburse Mortgagor for the cost of the rebuilding or restoration of buildings or improvements on the Premises. If such proceeds are used to restore or rebuild the Premises, Mortgagor shall promptly and expeditiously rebuild or restore the buildings and improvements to the equivalent of their condition immediately prior to the loss and in accordance with the original plans and specifications or to such other condition as Mortgagee shall approve in writing. Mortgagor shall bear the full cost of such restoration or rebuilding in excess of the insurance proceeds.

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Once such restoration and rebuilding is commenced, it shall be completed in an expeditious and workmanlike manner.

In case of loss after a foreclosure by judicial proceeding has been instituted, the proceeds of any such insurance policy or policies, if not applied as aforesaid in rebuilding or restoring the buildings or improvements, shall be applied in payment or reduction of the indebtedness secured hereby or in payment or reduction of the amount due in accordance with any order of foreclosure that may be entered in any such proceeding, and the balance, if any, shall be paid to the owner of the equity of redemption if it shall then be entitled to the same or as the court may direct. In case of the foreclosure of this Mortgage by judicial proceeding, the court in its order and upon notice to the insurer may provide that the mortgagee's clause attached to each of said insurance policies may be cancelled and that the purchaser at the foreclosure sale held in accordance with such judicial proceeding may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said purchaser; and any such foreclosure order may further provide that in case of one or more redemptions under said order, pursuant to the statute in such case made and provided, then, and in every such case, each successive redeemer may cause the preceding loss clause attached to each insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of a foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

Stamp Tax

6. If, by the laws of the United States of America or of Illinois, any stamp tax or similar tax is due or becomes due in respect of any of the Obligations or the recording of this Mortgage, Mortgagor covenants and agrees to pay such tax in the manner required by any such law. Mortgagor further covenants to hold harmless and agrees to indemnify Mortgagee, its successors or assigns, against any liability incurred by reason of the imposition of any stamp tax or similar tax on the issuance of the Obligations or the recording of this Mortgage.

Prepayment Privilege

7. Mortgagor shall have the privilege of making prepayments on the principal of the Obligations in accordance with the terms and conditions set forth in the Agreement.

Effect of Extensions of Time

8. If the payment of the indebtedness evidenced by the Obligations or any part thereof be extended or varied or if any part of the security be released, all persons or entities 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 and the lien and all provision hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release.

Effect of Changes in Laws Regarding Taxation

9. In the event of the enactment after this date of any law of the State of Illinois deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the mortgagee's interest in the property, or the manner of collection of taxes so as to affect this Mortgage or the indebtedness secured hereby, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefor; provided, however, that if in the opinion of counsel for Mortgagee (a) it shall be unlawful to require Mortgagor to make such payment or (b) the making of such payment shall result in the imposition of interest beyond the maximum amount permitted by law, then, and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the Obligations to be and become due and payable sixty (60) days from the giving of such notice.

Mortgagee's Performance of Defaulted Acts; Subrogation

10. In case of default on the part of Mortgagor under this Mortgage or of Mortgagor, the other Mortgagors or Partner under any of the other Obligations, Mortgagee may, but need not, make any payment or perform any act herein or in or with respect to any of the Obligations required of Mortgagor, in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including but not limited

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to attorneys' fees and expenses, and any other moneys advanced by Mortgagee to protect the Premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Default Rate specified in the Agreement. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor under this Mortgage. Should the proceeds of the Obligations or any part thereof, or any amount paid out or advanced hereunder by Mortgagee, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any lien or encumbrance upon the Premises or any part thereof on a parity with or prior or superior to the lien hereof, then as additional security hereunder, the Mortgagee shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness, however remote, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment.

Mortgagee's Reliance on Tax Bills, Etc.

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

Default

12. The following shall be a default ("Mortgage Default") hereunder: if (a) any payment of principal or interest due under or with respect to any of the Obligations, or any other payment due in accordance with the terms of this Mortgage or the other Obligations, is not paid when due and such default continues for fifteen (15) days after the due date for such payment, or (b) any other of the covenants, agreements or conditions, hereinbefore or hereinafter contained, or required to be kept, performed or observed by Mortgagor, the other Mortgagors or Partner in this Mortgage or the other Obligations is not observed or performed and such default is not remedied within thirty (30) days after notice from Mortgagee to the Partner, which thirty (30) days shall be extended if such cure is commenced but cannot reasonably be completed within such

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period, provided that all cure periods hereunder shall run concurrently with any cure period allowed with respect to any default under the other Obligations or (c) Mortgagor, the other Mortgagors or Partner shall be in a matured default under any of the other Obligations, or (d) any representation or warranty made by Mortgagor, the other Mortgagors or Partner in this Mortgage or the other Obligations shall be false as of the date when made, or shall subsequently become false, in any material respect, or (d) Mortgagor, the other Mortgagors or Partner shall file a petition in voluntary bankruptcy or insolvency or under any provision of the Federal Bankruptcy Act or any similar law, state or Federal, whether now or hereafter existing, or an answer admitting insolvency or inability to pay its debts, or fail to obtain a vacation or stay of involuntary proceedings within thirty (30) days, as hereinafter provided; or (f) Mortgagor, the other Mortgagors or Partner shall be adjudicated a bankrupt, or a trustee or a receiver shall be appointed for the Mortgagor, the other Mortgagors or Partner or for all of the property of Mortgagor, the other Mortgagors or Partner or the major part thereof in any involuntary proceeding or any court shall have taken jurisdiction of the property of the Mortgagor, the other Mortgagors or Partner or the major part thereof in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of the Mortgagor, the other Mortgagors or Partner, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within thirty (30) days; or (g) Mortgagor, the other Mortgagors, or Partner shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all of its property or the major part thereof.

Foreclosure; Expense of Litigation

13. When either (i) the indebtedness secured hereby or any part thereof shall become due, whether (a) by lapse of time, or otherwise or a Mortgage Default shall have occurred, Mortgagee shall have the right to accelerate all the Obligations and to foreclose the lien hereof.

In any suit to foreclose the lien hereof or to enforce any other remedy of Mortgagee under this Mortgage, or under or with respect to the Obligations, to the extent permitted by applicable law, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert

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evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurance with respect to title and value as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this Section mentioned, and all such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including but not limited to the fees and expenses of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Obligations or the Premises, including bankruptcy proceedings, or in preparation for the commencement or defense of any suit or proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate provided in the Agreement and shall be secured by this Mortgage.

Upon any judicial sale made under or by virtue of this Section, 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 of Partner secured by this Mortgage the sale price, after deducting therefrom the expenses of the sale and the cost of the action and any other sums which Mortgagor is required to pay or Mortgagee is authorized to deduct under this Mortgage.

Mortgagor further understands that, to the extent this Mortgage constitutes a Security Agreement under the UCC, in the event of a Mortgage Default, Mortgagee may take possession of any personal property covered by this Mortgage and dispose of the same by sale or otherwise; provided that at least ten (10) days prior notice of such disposition must be given to the Mortgagor, all as provided for by the Illinois Uniform Commercial Code, as hereafter amended, or by any similar or replacement statutes hereafter enacted.

Application of Proceeds of Foreclosure Sale

14. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding Section hereof; second, to the

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repayment of the Obligations and all other items which under the terms hereof constitute secured indebtedness additional to that constituting the Obligations, with interest thereon as herein provided; and third, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

Appointment of Receiver

15. 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 if permitted by law, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Premises and Mortgagee hereunder may be appointed as such receiver. Such receiver shall have the power to act with respect to the Premises in any manner necessary to protect, preserve and make the Premises profitable to the fullest extent allowed under Illinois law. 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: (x) the Obligations 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 any foreclosure sale; and (y) the deficiency in case of a sale and deficiency.

Mortgagor's Right of Possession in Case of Default

16. In any case in which under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, Mortgagor shall, forthwith, upon demand by Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take actual possession of, the Premises or any part thereof personally, or by its agent or attorneys. In such event, Mortgagee in its discretion may in accordance with law, enter upon and take and maintain possession of all or any part of the Premises together with all documents, books, records, papers and accounts of Mortgagor or then owner of the Premises relating thereto and may take any and all actions with respect to the Premises in any manner necessary to protect, preserve and make the Premises profitable, to the fullest extent allowed under Illinois law.

Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases.

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Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage (except for any such liability, loss or damage which may be caused by the willful misconduct or gross negligence of Mortgagee) which Mortgagee may or might incur by reason of its performance of any action authorized under this Section 16 and of and from any and all claims and demands whatsoever which may be asserted against Mortgagee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements of Mortgagor. Should Mortgagee incur any such liability, loss or damage, by its performance or non-performance of actions authorized by this Section, or in the defense of any claims or demands, the amount thereof, including but not limited to the costs, expenses and attorneys' fees, together with interest on any such amount at the Default Rate provided in the Agreement, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand.

Application of Income Received by Mortgagee

17. Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it by Section 16, shall have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as Mortgagee may determine:

(a) to the payment of the operating expenses of the Premises, including but not limited to the cost of management and leasing thereof (which shall include appropriate compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on the insurance hereinabove authorized;

(b) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises;

(c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Premises and of placing the Premises in such condition as will, in the judgment of Mortgagee, make it readily rentable; and

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

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Mortgagee's Right of Inspection

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

Condemnation

19. Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any award or any claim for damages for any of the Premises (or any interest therein) taken or damaged by the power of eminent domain or by condemnation. Mortgagee shall be entitled (but shall not be obligated) to participate in the collection of such proceeds and any such proceeds shall be first applied to reimburse Mortgagee for all costs and expenses, including but not limited to attorney's fees and expenses incurred in connection with the collection of such proceeds. The remainder of such proceeds may, according to the agreement of the parties hereto, be either retained by Mortgagee in payment or reduction of the indebtedness secured hereby in such order as Mortgagee shall determine, whether due or not, or (ii) turned over to Mortgagor to reimburse Mortgagor for the cost of the rebuilding or restoration of buildings or improvements on the Premises in accordance with plans and specifications to be submitted to and approved by Mortgagee. If the proceeds are to be used to reimburse Mortgagor for rebuilding or restoration, the rebuilding and restoration shall be performed as provided in Section 5 hereof. If the amount of such award is insufficient to cover the cost of rebuilding or restoration, Mortgagor shall pay such cost in excess of the amount of the award. Any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall, according to the agreement of the parties hereto, be applied on account of the indebtedness secured hereby or be paid to any other party entitled thereto.

Release upon Payment and Discharge of Mortgagor's Obligations

20. If Mortgagor, the other Mortgagors or Partner shall fully pay all principal and interest on the indebtedness secured hereby and fully comply with, satisfy and discharge all of the other terms and provisions hereof and of all other Obligations to be paid, performed and complied with by Mortgagor, the other Mortgagors and Partner, then Mortgagee shall execute and deliver to Mortgagor a release of this Mortgage and the lien thereof.

Giving of Notice

21. Any notice which either party hereto may desire or be required to give to the other party shall be served as provided

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in the Agreement; all notices to be delivered to Mortgagor need only be delivered to Partner.

Waiver of Defense; Remedies Not Exclusive

22. No action for the enforcement of the lien hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Obligations. Mortgagee shall be entitled to enforce payment and performance of any indebtedness secured hereby and to exercise all rights and powers under this Mortgage or under or with respect to any other Obligations or any laws now or hereafter in force. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given hereby to Mortgagee or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time, and as often as it may be deemed expedient by Mortgagee and Mortgagee may pursue inconsistent remedies. No waiver of any Mortgage Default of the Mortgagor shall be implied from any omission by the Mortgagee to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any such default other than the default specified in the express waiver and that only for the time and to the extent therein stated. No acceptance of any payment of any one or more delinquent installments which does not include interest at the Default Rate provided the Agreement from the date of delinquency shall constitute a waiver of the right of Mortgagee at any time thereafter to demand and collect payment of interest at such rate.

Waiver of Statutory Rights

23. To the fullest extent permitted under applicable law, Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Premises marshalled upon any foreclosure

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of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. To the fullest extent permitted by law, Mortgagor hereby waives and any all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on its behalf and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date of this Mortgage.

Representations and Warranties of Mortgagor

24. To induce Mortgagee to execute the Agreement, to make the Credit available to Mortgagor in accordance with the terms thereof, and to disburse the proceeds of the indebtedness secured by this Mortgage, Mortgagor hereby represents and warrants to Mortgagee as follows:

(a) that as of the date hereof and thereafter, Mortgagor has good and marketable fee simple title to the Premises, subject only to the Permitted Exceptions; the Mortgagor shall provide to Mortgagee a Lender's Title Insurance Policy in the amount of \$1,000,000.00 insuring the priority of Mortgagee's lien created hereby, subject only to the Permitted Exceptions and with Comprehensive Endorsement No. 1 and a Location Endorsement attached thereto.

(b) that the existing use and condition of the Premises do not violate in any material respect any zoning, building, health, fire, water, use, or similar statute, ordinance, law, regulation or code, nor has Mortgagor received notice of any such violation which has not been heretofore corrected; that the Premises are in conformance in all material respects with current zoning requirements, including, without limitation, all parking requirements, and that the Premises are not a nonconforming or special use that would in any way prohibit continued use of the Premises as currently operated; and the Premises as mortgaged to Mortgagee shall include all rights to any off-site facilities necessary to ensure compliance with all laws and to afford adequate utility service to the Premises;

(c) that no litigation or proceedings are pending, or to the best of Mortgagor's knowledge are threatened, against Mortgagor, the other Mortgagors or Partner (i) which will or could affect the validity or priority of the lien of the Mortgage, (ii) which has or will have a materially adverse effect on the ability of Mortgagor, the other Mortgagors or Partner to perform their obligations pursuant to and as contemplated by the terms and provisions of this Mortgage or to pay, perform, satisfy or discharge the other Obligations, or

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(iii) which has or will have a material adverse effect on the operation or condition of the Premises or any part thereof;

(d) that the execution, delivery and performance of the Obligations have not constituted (and will not, upon the giving of notice or lapse of time or both, constitute) a material breach or default under any other agreement to which Mortgagor, the other Mortgagors or Partner is a party or may be bound or affected, or a violation of any law or court order which may affect the Premises, any part thereof, any interest therein or the use thereof;

(e) that (i) no condemnation of any portion of the Premises, (ii) no condemnation or relocation of any roadways abutting the Premises, and (iii) no denial of access to the Premises from any point of access to the Premises, has commenced which could have a material adverse effect on the use, occupancy or enjoyment of the Premises; and that to the best of Mortgagor's knowledge, none of the foregoing is contemplated by any governmental authority which could have a material adverse effect on the use, occupancy or enjoyment of the Premises;

(f) that Mortgagor has not received any notice from any insurance company of any defects or inadequacies in the Premises which would materially adversely affect the insurability of the Premises or which would materially increase the cost of insuring the Premises beyond that which is customarily charged for similar property in the vicinity of the Premises used for a similar purpose; and that Mortgagor has no notice or knowledge of any structural defect in the Premises;

(g) that, to the best of Mortgagor's knowledge, all consents, licenses and permits and all other authorizations or approvals required to operate the Premises have been obtained and that all laws, rules and regulations of the state in which the Premises are located or any subdivision thereof relating to the operation of the Premises have been complied with; and

(h) that, to the best of Mortgagor's knowledge, each of the parcels of real estate constituting the Premises have adequate water, gas and electrical supply, storm and sanitary sewerage facilities, other required public utilities, fire and police protection, and means of access between each of the parcels and public highways, and Mortgagor knows of no fact or condition which would result in the termination or impairment of the foregoing; that none of the foregoing will be materially delayed or impeded by virtue of any requirements under any applicable environmental protection or control laws, rules or regulations; and that the Premises comply in all material

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respects with all applicable environmental protection or control laws, rules and regulations.

Binding on Successors and Assigns

25. This Mortgage and all provisions hereof shall be binding upon Mortgagor and all persons claiming under or through Mortgagor and shall inure to the benefit of the successors and assigns of the Mortgagee.

Captions

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

Business Loan Recital

27. Mortgagor represents and agrees that the Obligations: (a) constitute a loan to a partnership which comes within the purview of subparagraph (1)(a) of Section 4 of "An Act in relation to the rate of interest and other charges in connection with sales on credit and the lending of money," approved May 24, 1879, as amended (Ill. Rev. Stats. 1983 ed., Ch. 17, Sec. 6404(1)(a)); and (b) are exempted transactions under the Truth-in-Lending Act, 15 U.S.C. Sec. 1601 et seq.

Filing and Recording Fees

28. Mortgagor shall pay all title insurance premiums, escrow charges, filing, registration or recording fees, and all expenses incident to the execution and acknowledgement of this Mortgage and all federal, state, county and municipal taxes, and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage and the Obligations.

Partial Invalidity

29. Mortgagor and Mortgagee intend and believe that each provision in this Mortgage comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Mortgage are found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decisions, or public policy, and if such court should declare such portion, provision or provisions of this Mortgage to be illegal, invalid, unlawful, void or unenforceable as written, then it is the

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intent both of Mortgagor and Mortgagee that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Mortgage shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Mortgagor and Mortgagee under the remainder of this Mortgage shall continue in full force and effect.

Disbursement of Loan Proceeds

30. The proceeds of the indebtedness evidenced by the Obligations are to be disbursed by Mortgagee to Partner in accordance with the provisions contained in the Agreement. The Agreement is incorporated herein by express reference. All advances and indebtedness arising and accruing under the Agreement from time to time shall be secured hereby to the full extent of the amount stated to be secured hereby and according to law, and in any event the occurrence of any Default under the Agreement shall constitute a Mortgage Default under this Mortgage entitling Mortgagee to all of the rights and remedies conferred upon Mortgagee by the terms of this Mortgage. Except as otherwise specifically provided herein, in the event of any conflict or inconsistency between the terms of this Mortgage and the Agreement, the terms and provisions of the Agreement shall in each instance govern and control.

Mortgagee's Lien for Service Charge and Expenses

31. At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of any and all expenses and advances due to or incurred by Mortgagee in connection with the indebtedness to be secured hereby; provided, however, that in no event shall the total amount of loan proceeds disbursed plus such additional amounts exceed 200% of the total amount of the Credit.

Maintenance of Mortgagor's Interest

32. So long as any of the Obligations remain unpaid, unperformed, unsatisfied, or undischarged, if Mortgagor shall, without Mortgagee's prior written consent, transfer, convey, alien, pledge, hypothecate or mortgage the Premises or any portion thereof or any interest therein, either voluntarily or involuntarily, or enter into a contract to do any of the foregoing, such action shall constitute a Mortgage Default.

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Applicable Law

33. This Mortgage and the other Obligations shall be construed, interpreted and governed by the laws of the State of Illinois.

Mortgagor

34. Whenever the term Mortgagor is used herein with reference to any rights or covenants, duties or obligations of Mortgagor hereunder or under the other Obligations, Partner shall also be able to exercise such rights or perform such covenants, duties or obligations in lieu of Mortgagor. Partner, under the Agreement, has personally assumed all such covenants, duties and obligations.

Revolving Credit: Future Advances

35. This Mortgage also secures all future advances granted under the Agreement made within twenty years from the date hereof, which future advances shall have the same priority as if all such future advances and revolving credit were made on the date of execution hereof. Nothing in this Section 35 contained shall be deemed an obligation on the part of Mortgagee to make any future advances other than in accordance with the terms and provisions of the Agreement.

IN WITNESS WHEREOF, Mortgagor has caused these presents to be signed by duly authorized officers as of the day and year first above written.

JARVIS ASSOCIATES, a general partnership

ATTEST:

By: Paul Spichiger
a general partner

By: Paul Spichiger
Attorney-in-fact for
Marcel Spichiger, a
general partner

This instrument was prepared by
and after recording return to:

Kevin D. Kline, Esq.
Hopkins & Sutter
Three First National Plaza
Chicago, Illinois 60602

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Patrice Marcell Anderson, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Daniel Spichiger, for himself and as attorney-in-fact for Marcel Spichiger, general partners of Jarvis Associates, a general partnership, is personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such partner and such attorney-in-fact for a partner, appeared before me this day in person and acknowledged that he signed and delivered said 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 5th day of May, A.D., 1987.

Patrice Marcell Anderson
Notary Public

My Commission Expires:

May 29, 1990

Property of Cook County Clerk's Office

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EXHIBIT A

Legal Description

The West 175 feet (except streets) in Lot 7 in County Clerk's Division of part of the Southwest fractional 1/4 of Section 30, Township 41 North, Range 14 East of the Third Principal Meridian, North of the Indian Boundary Line, according to the plat thereof recorded in Book 11 of Plats, Page 17, as Document 122327, in Cook County, Illinois.

PIN: #11 30 304 001 ECU UN

ADDRESS: 2340-59 W. Jarvis and 7335-39 N. Western, Chicago, Ill 60645

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EXHIBIT B

Permitted Exceptions

1. General Real Estate Taxes for 1986 second installment and subsequent years.
2. The Assignment of Rents to Lender.
3. By Amendments to Chapters 185 and 200.1, Section 2B of the City of Chicago Municipal Code a validation requirement has been imposed upon the sale of real property located within the city limits. Therefore, all deeds presented to this company for recording must have the appropriate transfer tax declaration, or exemption form, together with the certification signature by the City Department of Water, attached thereto.

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DEPT-01 RECORDING \$33.00
#1111 TRAN 5029 05/07/87 15:53:00
#1516 # 9 *-BT-247909
COOK COUNTY RECORDER

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