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erected thereon, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to said buildings and improvements;

Together with, all the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance, which Mortgagor now has or may hereinafter acquire in the real estate, and any and all awards made for the taking of eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the real estate, including without limitation any awards resulting from a change of grade of streets and awards for severance damages.

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

REPRESENTATIONS

2.01. Mortgagor represents it has good and marketable title to the Property subject, however, to (a) the matters set forth in the title insurance policy insuring this mortgage, approved by Mortgagee as a condition to the first disbursement of the Loan, and (b) real estate tax assessments not yet due and payable. Mortgagor represents that it has good right and full power to see and convey the same and that it has duly executed and delivered this Mortgage pursuant to proper directions and the Mortgagor and Beneficiaries thereto, will make any further assurances of title that the Mortgagee may reasonably require and will defend the Property against all claims and demands whatsoever.

2.02. The Mortgagor represents that the proceeds of the loan are to construct improvements thereon as more fully described in the Loan Agreement.

2.03. The Mortgagor and all beneficiaries thereunder, 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 or Loan Agreement contained after the expiration of any applicable grace periods as provided in the Loan Agreement. Mortgagor hereby releases and waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on its own behalf and on behalf of Beneficiaries and each and every person, including any and all persons acquiring any interest in or title to the Property or any beneficial interest in Mortgagor. Mortgagor shall not, and will not, apply for or avail itself of any appraisement, 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 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 any estates comprising the Property, marshalled upon any foreclosure of the lien hereon and agree that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. No provision of this paragraph or of this Mortgage shall prevent Beneficiary from bidding at any foreclosure sale of the Property.

MORTGAGOR'S COVENANTS

3.01. Mortgagor and beneficiaries of Mortgagor 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, the loan agreement, and in this Mortgage.

(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")

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

Unless Mortgagor is diligently pursuing the procedures provided for in Paragraph 11.01 hereof, within ten (10) days after written demand therefore, Mortgagor 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 Mortgagor to deliver to Mortgagee said receipts or to submit other proof satisfactory to Mortgagee as aforesaid shall constitute a default hereunder.

3.02. Mortgagor covenants and agrees 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, Mortgagor will suffer no waste. All repairs and maintenance required of Mortgagor shall be (in the reasonable opinion of Mortgagee) of first-class quality.

3.03. Mortgagor shall not make or cause to be made improvements to the Property except those that are described in the Loan Agreement. Mortgagor covenants and agrees to continue and complete the construction of the improvements as required in the Loan Agreement.

3.04. Mortgagor shall obtain and keep in force during the term of this Mortgage insurance in such amounts and in such form as Mortgagee requires under the Loan Agreement.

3.05. Mortgagor covenants and agrees that this Mortgage is and will be maintained as a valid first mortgage lien on the Property and that Mortgagor 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, encumbrances or charge whether prior to or subordinate to the lien of this Mortgage unless written approval is first obtained from Mortgagee. Mortgagor 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, Mortgagor agree to discharge the same of record within 15 days after the liens are filed or, if not filed, within 15 days after Mortgagor has notice thereof; provided that in connection with any such lien or claim, Mortgagor may in good faith contest the same in accordance with the provisions of Paragraph 11.01 hereof.

3.06. Mortgagor covenants and agrees, 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 Mortgagor or applicable to the Property or any part thereof or applicable to any improvements to be constructed on the Property, and the use and occupancy thereof. Mortgagor at its expense after written notice to Mortgagee, may contest the applicability or validity of any such governmental laws or regulations by appropriate legal proceedings, conducted in good faith and with due diligence, provided that (a) neither the Property nor any part thereof nor interest therein are at any time in danger of being sold or forfeited, and (b) the security of this Mortgage is not in danger of being impaired.

3.07. Mortgagee, at its option, is hereby authorized, directed and empowered to collect and receive the proceeds of any award and awards from the authorities making the same in connection with an exercise of the right of eminent domain, 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

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thereof to replace or restore the Property to a condition satisfactory to the Mortgagee or (iv) release the same to the Mortgagor.

3.08. Mortgagor covenants and agrees that it 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 might affect the security of this Mortgage or impose any duty or obligation upon Mortgagor, and Mortgagor shall do or cause to be done, all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and right to, in favor of, or constituting any portion of the Property.

3.09. Mortgagor agrees it will not do or permit to be done to, or omit to do, or permit the omission of, in, upon or about said Property, or any part thereof, anything that may in any way impair the security of this Mortgage.

3.10. Subject to the rights granted Mortgagor in Paragraph 11.01 of this Mortgage, Mortgagor covenants and agrees to promptly pay and discharge any and all material 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 to the repair, replacement or condition of the Property and any governmental regulations concerning environmental control and improvements, and 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. All amounts so paid shall thereupon be liens upon the Property and secured by this Mortgage, and Mortgagor will repay the same upon demand, with interest thereon at the rate then in effect under the Note from the date of such payment by Mortgagee.

3.11. Mortgagor covenants and agrees that if any action or proceeding is commenced in which Mortgagee in good faith deems it necessary to defend or uphold the validity, enforceability or priority of 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 Mortgagor, together with interest thereon at the rate of twelve (12%) percent per annum or the rate of interest then in effect under the Note, whichever is greater, and any such sums and the interest thereon shall be a lien and security interest on the 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.

TRANSFER OF MORTGAGE OR PROPERTY

4.01. Mortgagor 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 its interest in the Property, except as it may be permitted under the Loan Agreement. 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.

PERFORMANCE OF MORTGAGOR'S OBLIGATIONS

5.01. If Mortgagor shall fail to pay any Impositions or to make any other payment required to be paid by Mortgagor under this Mortgage at the time and in the manner provided in this Mortgage, or if Mortgagor 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 this Mortgage, the Note, the Loan Agreement or any instrument of record, then, after the expiration of any applicable grace period as set

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forth in any such document or instrument, and without limiting the generality of any other provision of this Mortgage, and without waiving or releasing Mortgagor for any of its 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 the Loan Agreement or 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 Mortgagor. 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 twelve percent (12%) per annum or the interest rate then in effect under the Note, whichever is higher, from the date of each such expenditure, shall be paid by Mortgagor to Mortgagee within ten (10) days after written notice to Mortgagor demanding such payment, and shall be secured by this Mortgagee, and Mortgagee shall have same rights and remedies in the event of nonpayment of any such sums by Mortgagor as in the case of a default by Mortgagor 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 Mortgagor 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 Mortgagor.

ASSIGNMENT OF LEASES, RENTS AND CONTRACTS

6.01. Mortgagor hereby assigns to Mortgagee all Mortgagor's interest in all rents, issues and profits of the Property, as further security for the payment of the Indebtedness and other sums secured hereby. Mortgagor grants to Mortgagee the right to enter the Property and to let the Property, or any part thereof, and to apply said rents, issues, profits and proceeds after payment of all 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. Mortgagee hereby agrees not to exercise the right to enter the Property for the purpose of collecting said rents, issues or profits and Mortgagor shall be entitled to collect and receive said rents, issues, profits and proceeds until the occurrence of a default by Mortgagor under the terms and provisions hereof; provided that any rents, issues and profits collected and received by Mortgagor after the occurrence of a default hereunder which is not cured within the applicable grace period provided hereby, shall be deemed collected and received by Mortgagee in trust for Mortgagee and Mortgagor shall account to Mortgagee for the full amount of such receipts. Mortgagor agrees to apply said rents, issues and profits, whenever received, to payment of the indebtedness, all Impositions on or against the Property and other sums secured hereby. The right of Mortgagor to collect and receive said rents, issues and profits in trust for Mortgagee during the continuance of any default by Mortgagor under the terms and provisions of this Mortgage may be revoked by Mortgagee's giving written notice of such revocation to Mortgagor.

6.02. Mortgagor will, from time to time after notice and demand, execute and deliver to Mortgagee, in form satisfactory to Mortgagee, further agreements reasonably required to evidence its willingness to comply and its compliance with the provisions of paragraph 6.01. Mortgagor shall pay Mortgagee the expenses incurred by Mortgagee in connection with the recording of any such agreement.

6.03. The assignment contained in paragraph 6.01 is given as collateral security and the execution and delivery hereof shall not in any way impair or diminish the obligations of the Mortgagor, nor shall this assignment impose any obligation on Mortgagee to perform any provision of any contract pertaining to the Property or any responsibility for the non-performance thereof by Mortgagor or any other person. The assignment under paragraph 6.01 is given as a primary pledge and assignment of the rights described herein and such assignment shall not be deemed secondary to the security interest and Mortgage of Mortgagee in the Property. Mortgagee

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shall have the right to exercise any rights under paragraph 6.01 before, together with, or after exercising any other rights under this Mortgage.

CHANGES IN TAX LAWS; PAYMENT OF OTHER TAXES

7.01. 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 purposes 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 thirty (30) 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 (30) days, provided, however, that such requirement of payment shall be ineffective if the Mortgagor is permitted by law to pay the whole of such tax in addition to all other payments required hereunder, without any penalty thereby, and if the Mortgagor pays such tax prior to the date upon which payment is required by such notice.

7.02. 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 Mortgagor 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, Mortgagor will forthwith either (a) pay such tax and, within a reasonable time thereafter, deliver to Mortgagee satisfactory proof of payment thereof or (b) 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 (i) evidence satisfactory to Mortgagee that such claim has been withdrawn or defeated, in which event any such deposit shall be returned to Mortgagor, or (ii) a direction from Mortgagor 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 Mortgagor directly to the taxing authority and any excess of such deposit over such payment by Mortgagee to be returned to Mortgagor provided Mortgagor is not in default under the provisions of the Mortgage. Upon the failure of Mortgagor to comply with the provisions of this paragraph the entire Indebtedness shall, at the option of Mortgagee, become due and payable ten (10) 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 Mortgagor prompt notice of such claim and Mortgagor upon complying with the provisions of this section, shall have full right and authority to contest such claim.

DEFAULT

8.01. 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 Mortgagor and beneficiaries of Mortgagor to observe or perform any of the covenants or conditions by Mortgagor to be performed under the terms hereof, and failure of Mortgagor and beneficiaries of Mortgagor to cure such default within any applicable grace period provided for herein. Mortgagor shall have thirty (30) days after the occurrence of a default to cure such default unless a different cure period is provided herein or in the Loan Agreement. Any cure periods under this Mortgage shall run concurrently with any cure periods in the Loan Agreement.
- (b) Any warranty or representation of Mortgagor or Beneficiary was when made or at the time of any advance made under the terms of the Loan Agreement inaccurate or misleading in any material respect.

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- (c) Failure of Mortgagor or Beneficiary or Guarantors (as defined in the Loan Agreement) to observe or perform any of the conditions, terms, covenants or agreements contained in the Note, Loan Agreement or any other instrument executed in connection with this Mortgage and the Note and the continuance of such default beyond any applicable grace period contained therein.
- (d) If Mortgagor or Beneficiary or Guarantor 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 either Mortgagor or Beneficiary, or Guarantor, or of all or any substantial part of their respective properties or of the Property; or if within sixty (60) days after the commencement of any proceeding against either Mortgagor or Beneficiary, or Guarantor, 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 stayed; or if, within sixty (60) days after the appointment of any trustee, receiver or liquidator of either Mortgagor or Beneficiary, or Guarantor (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 sixty (60) 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 or the beneficial interest in Mortgagor in violation of the provisions of Paragraph 4.01 hereof.

8.02. If an event of default shall occur which is not cured within any applicable grace period provided for such event (or, where no period is otherwise provided, then within thirty (30) days after the occurrence of such default), Mortgagee may, at its option, exercise any and all of the following remedies:

- (a) Declare the unpaid portion of the Indebtedness to be immediately due and payable, without further notice or demand (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable.
- (b) Enter upon the Property and take possession thereof and of all books, records and accounts relating thereto.
- (c) Appoint a receiver for the Property, or any part thereof, and of the net income, rents, issues and profits thereof, without regard to the sufficiency of the Property covered by this Instrument or any other security, and without the showing of insolvency on the part of Mortgagor or fraud or mismanagement, and without the necessity of filing any judicial or other proceeding for appointment of a receiver.
- (d) Hold, lease operate or otherwise use or permit the use of the Property, or any portion thereof, in such manner, for such time and upon such terms as Mortgagee may deem to be in its best interest making such repairs, alterations, additions and improvements thereto, from time to time, as Mortgagee shall deem necessary or desirable) and collect and retain all earnings, rentals, profits or other amounts payable in connection therewith.
- (e) Sell the Mortgaged Property, in whole or in part,
 - (i) under the judgment or decree of a court of

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competent jurisdiction, or

(ii) at public auction (if permitted by law) in such manner, at such time and upon such terms as Mortgagee may determine, or as provided by law, and/or sell any personal property, in whole or in part, at one or more public or private sales, in such manner, at such time or times, and upon such terms as Mortgagee may determine or as provided by law.

(f) exercise any other remedy specifically granted under any other security agreements or other documents executed in connection with the Indebtedness (hereinafter, the "Security Documents") or now or hereafter existing in equity, at law, by virtue of statute or otherwise.

8.03. In case Mortgagee shall have proceeded to enforce any right under the Note or the Security Documents and such proceedings shall have been discontinued or abandoned for any reason, then in every such case Mortgagee and Mortgagee shall be restored to their former positions and the right, remedies and powers of Mortgagee shall continue as if no such proceedings had been taken.

8.04. In the event Mortgagee (a) grants an extension of time on any payments of the Indebtedness, (b) takes other or additional security for the payment thereof, or (c) waives or fails to exercise any right granted herein or in any other Security Document, said act or omission shall not release Mortgagor, Beneficiary, Guarantor, subsequent purchasers of the Property covered by this Instrument or any part thereof, or any guarantor.

FORECLOSURE

9.01. 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 paragraph 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.

9.02. 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 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

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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.

9.03. The proceeds of any sale of all or any portion of the Property and the earnings of any holding, leasing, operation or other use of the Property shall be applied by Mortgagee in the following order:

- (a) first, to the payment to Mortgagee of the costs and expenses of taking possession of the Property and of holding, using, leasing, repairing, improving and selling the same;
- (b) second, to the payment of Mortgagee's attorneys' fees and other legal expenses;
- (c) third, to the payment of accrued and unpaid interest on the Note;
- (d) fourth, to the payment of the balance of the Indebtedness; and
- (e) any surplus shall be paid to the parties entitled to receive it.

9.04. In the event of a deficiency upon a sale of the premises pledged hereunder by Mortgagor then the Mortgagor and the Mortgagor's beneficiaries shall forthwith pay such deficiency including all expenses and fees which may be incurred by the holder of the Note secured by this Mortgage in enforcing any of the terms and provisions of this Mortgage.

INSPECTION

10.01. Mortgagor covenants and agrees 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 Mortgagor for any purpose.

CONTESTING LIENS AND IMPOSITIONS

11.01. Mortgagor at its 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 4.01, any license fees or similar charges, or any mechanic's lien filed against the Property provided that Mortgagor complies with the terms of the Loan Agreement, if applicable, or, otherwise, (a) Mortgagor 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) Mortgagor shall have furnished such security, if any, as may be required in the proceedings or reasonably requested by Mortgagee.

ASSIGNMENT OF MORTGAGE

12.01. Mortgagee may assign all or any portion of its interest hereunder and its rights granted herein and in the Note or Loan Agreement 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 or Loan Agreement contained. Notwithstanding the foregoing, Mortgagee agrees that prior to the occurrence of a default hereunder or under the Loan Agreement.

CASUALTY INSURANCE

13.01. (a) Mortgagor will procure, deliver to and maintain for the benefit of Mortgagee the insurance required by the Loan Agreement. 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.

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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 prior to the expiration dates thereof. 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 5.01 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 the occurrence of an insured loss, Mortgagee shall have the option to declare the Loan to be due and payable and to settle all claims in excess of \$10,000.00 with insurers, collect all insurance proceeds, and apply the proceeds, after deducting the costs of collection, to payment of the Loan. If Mortgagee elects to make the insurance proceeds available to Mortgagor to repair and restore the damaged Property rather than applying the proceeds to payment of the Loan, such proceeds will be deposited with Mortgagee, together with any additional funds of Mortgagor which Mortgagee determines are necessary to complete the repairs and restoration, and such funds will be disbursed by Mortgagee in accordance with the terms of the Loan Agreement before any additional Loan funds are disbursed. Tenant agrees to promptly and diligently repair and restore the Property.

Notwithstanding the foregoing, Mortgagee agrees to make the insurance proceeds available to Mortgagor to repair the Property in accordance with the terms of the Loan Agreement, subject to the following additional terms and conditions:

- (a) no default or event which with notice or lapse of time would be a default hereunder or under the Loan Agreement exists;
- (b) within 60 days after the occurrence of the damage, Mortgagor has deposited with Mortgagee the insurance proceeds, together with any additional funds of the Mortgagor as are necessary in Mortgagee's judgment to finish the repairs and to bring the Loan "in balance" as required under the Loan Agreement after taking into account the time necessary to complete the repairs;
- (c) the repairs can be realistically completed in accordance with the Plans and Specifications approved by Mortgagee prior to the Maturity Date.
- (d) the funds deposited will be disbursed pursuant to the Loan Agreement and the repairs completed in accordance with the Plans and Specifications, before any further disbursements of the Loan.

COLLATERAL AGREEMENT

14.01 The Note secured by this Mortgage evidences a construction loan to finance construction of improvements on the Property, which loan will be disbursed in the amounts and pursuant to the terms and provisions of the Loan Agreement. The Loan Agreement, as the same hereafter may from time to time be amended, supplemented or modified, is hereby incorporated in this Mortgage by reference.

14.02. All advances and indebtedness from time to time arising and/or accruing under the Loan Agreement shall be secured by this Mortgage. If any terms and provisions of the Loan Agreement are inconsistent with any of the terms of this Mortgage, including periods for curing specific defaults, the provisions of the Loan Agreement shall prevail.

MISCELLANEOUS

15.01. Subject to Section 14.02 hereof, the rights of Mortgagee arising

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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, anything herein or otherwise to the contrary notwithstanding.

15.02. 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 Mortgagor 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.

15.03. 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.

15.04. 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 Mortgagor shall be deemed to have been properly given if sent by U.S. registered or certified mail, postage prepaid, addressed to Mortgagor at: 6834 N. Lakewood, Chicago, Ill. 60626 or to such other address as Mortgagor may from time to time designate by written notice to Mortgagee given as herein required. All notices, demands and requests by Mortgagor to Mortgagee shall be deemed to have been properly given if sent by U.S. registered or certified mail, postage prepaid, addressed to Mortgagee: Bank of Lyons, 8601 W. Ogden Ave., Lyons, Ill. 60534 or to such other address as Mortgagee may from time to time designate by written notice to Mortgagor.

15.05. 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 Mortgagor, Mortgagor will immediately, upon service thereof on or by Mortgagor, deliver to Mortgagee a true copy of each notice, petition or other paper or pleading, however designated.

15.06. In the event a portion of the Property is released from the lien of this Mortgage by Mortgagee, or added to this Mortgage by Mortgagor, the "Property" as herein defined shall refer only to that portion from time to time subject to the lien of this Mortgage.

~~15.07. This Mortgage is executed by BANK OF LYONS, not personally but as trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said BANK OF LYONS as trustee hereby warrants that it possesses full power and authority to execute the instrument) and it is expressly understood and agreed that nothing contained herein or in the Note, or in any other instrument given to evidence the indebtedness secured hereby shall be construed as creating any liability on the part of said BANK OF LYONS personally to pay said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, either express or implied, herein contained, all such liability, if any, being hereby expressly waived by the Mortgagee hereunder, the legal owners or holders of the Note, and by every person now or hereafter claiming any right or security hereunder; and that so far as said BANK OF LYONS personally is concerned, the legal holders of the Note and the owner or owners of any Indebtedness accruing hereunder shall look solely to the Property hereby mortgaged or conveyed for the payment thereof, by the enforcement of the lien created in the manner herein and in said Note provided or by action to enforce the personal liability of Beneficiary or the Guarantors.~~

15.08. Each and all of the covenants and obligations of this Instrument shall be binding upon and inure to the benefit of the parties

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hereto, and except as herein otherwise specifically provided, their respective successors and assigns, subject at all times nevertheless to all agreements and restrictions herein contained with respect to the transfer of Mortgagor's interest in the Property covered by this instrument.

15.09 If one or more of the provisions of this Instrument shall be invalid, illegal or unenforceable in any respect, such provision shall be deemed to be severed from this Instrument and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Without limiting the generality of the foregoing, any provision herein, or in the Note to the contrary notwithstanding, Mortgagee shall in no event be entitled to receive or collect, nor shall or may amounts received hereunder be credited, so that Mortgagee shall be paid, as interest, a sum greater than the maximum amount permitted by law. If any construction of this Instrument or the Note indicates a different right given to Mortgagee to ask for, demand or receive any larger sum, as interest, such as a mistake in calculation or in wording, which this clause shall override and control, and proper adjustment shall automatically be made accordingly.

IN WITNESS WHEREOF, Mortgagor has caused this mortgage to be executed on the day and year first above written.

THIS DOCUMENT PREPARED BY
ILIANA GRIMM
8601 WEST OGDEN AVENUE
LYONS, ILLINOIS 60534

Ljubomir Sipka
Ljubomir Sipka

Zora Sipka
Zora Sipka

STATE OF ILLINOIS Cook County ss

I, Iliana Grimm a Notary Public in and said for County and state, do hereby certify that Ljubomir Sipka and Zora Sipka personally known to me to be the same person(s) whose name (s) are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 21st day of June, 19 88

My Commission expires: August 30, 1988

Iliana Grimm
Notary Public

COOK COUNTY, ILLINOIS
FILED FOR RECORD

1988 JUN:27 AM 10:49

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5/11/2024

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LEGAL DESCRIPTION

Lots 1, 2 and 3 in Sipka Subdivision of the South 116.49 feet of the East 250.00 feet of Lot 5 of Geisler's Subdivision of Parts of the Southwest Quarter of Section 27 and the Southeast Quarter of Section 28, the Northeast Quarter of Section 33 and the Northwest Quarter of Section 34, Township 42 North, Range 10 East of the Third Principal Meridian, in Cook County, Illinois.

Tax Index Number: 02-33-201-044-0000

Property Address: 1610 Quintin Road, Rolling Meadows, IL

BOX 333 - GG

mail to:

THIS DOCUMENT PREPARED BY
ILIANA GRIMM
8601 WEST OGDEN AVENUE
LYONS, ILLINOIS 60534

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