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Mortgage No.: 1 (Chicago)
Commitment No.: 1 (Chicago)
Premises: 18 South Michigan Avenue, Chicago, Illinois

\$33.00

MORTGAGE AND SECURITY AGREEMENT
WITH ASSIGNMENT OF RENTS

THIS MORTGAGE, made the 1st day of July, 1988 from American National Bank and Trust Company of Chicago, not personally but as Trustee under the provisions of a deed or deeds in trust duly recorded and delivered to said Trustee in pursuance of a Trust Agreement dated January 3, 1967 and known as Trust Number 24272, having an address at c/o Hatch Farm Limited Partnership, 3 East Huron Street, Chicago, Illinois 60611, Attention: Aubrey J. Greenberg (the mortgagor), to CrossLand Savings, FSB, a federal stock savings bank, having its principal place of business at 211 Montague Street, Brooklyn, New York 11201 (the "Mortgagee").

WITNESSETH, that to secure the payment of indebtedness in the sum of Eight Million One Hundred Thousand Dollars (\$8,100,000.00) lawful money of the United States of America, with interest thereon, to be paid according to a certain note or obligation bearing even date herewith, with a final maturity of all principal and interest not required to be sooner paid of June 30, 1993 (such note and any and all notes issued in renewal thereof or in substitution or replacement therefor being hereinafter referred to as the "Note");

NOW, THEREFORE, to secure the payment of the principal and premium, if any, of and interest on the Note as and when the same becomes due and payable (whether by lapse of time, acceleration or otherwise), the payment of all other indebtedness, obligations and liabilities which this Mortgage secures pursuant to any of its terms and the observance and performance of all covenants and agreements contained herein or in the Note or in any other instrument or document at any time evidencing or securing any of the foregoing or setting forth terms and conditions applicable thereto (all of such indebtedness, obligations and liabilities being hereinafter collectively referred to as the "indebtedness hereby secured"), Mortgagor does hereby grant, bargain, sell, convey, mortgage, assign, and pledge unto Mortgagee, its successors and assigns, and grant to Mortgagee, its successors and assigns a security interest in all and singular the properties, rights, interests and privileges described in Granting Clauses I, II, III, IV, V

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This Document Prepared By *S. NOTO*
Steven B. Silverman
111 West Monroe Street, 17th Floor
Chicago, Illinois 60603

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and VI below, all of the same being collectively referred to herein as the "Mortgaged Property":

GRANTING CLAUSE I.

That certain real estate lying and being in the City of Chicago, County of Cook and State of Illinois more particularly described in Schedule I attached hereto and made a part hereof (the "Land").

GRANTING CLAUSE II.

All buildings and improvements of every kind and description heretofore or hereafter erected or placed on the property described in Granting Clause I (the "Improvements"; the Land and the Improvements are hereinafter collectively referred to as the "Premises"); all materials intended for construction, reconstruction, alteration and repairs of the buildings and improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the premises immediately upon the delivery thereof to the said real estate, and all fixtures, machinery, apparatus, equipment, fittings and articles of personal property of every kind and nature whatsoever now or hereafter attached to or contained in or used or useful in connection with said real estate and the buildings and improvements now or hereafter located thereon and the operation, maintenance and protection thereof, including but not limited to all machinery, motors, fittings, radiators, awnings, shades, screens, all gas, coal, steam, electric, oil and other heating, cooking, power and lighting apparatus and fixtures, all fire prevention and extinguishing equipment and apparatus, all cooling and ventilating apparatus and systems, all plumbing, incinerating, and sprinkler equipment and fixtures, all elevators and escalators, all communication and electronic monitoring equipment, all window and structural cleaning rigs and all other machinery and equipment of every nature and fixtures and appurtenances thereto and all items of furniture, appliances, draperies, carpets, other furnishings, equipment and personal property used or useful in the operation, maintenance and protection of the said real estate and the buildings and improvements now or hereafter located thereon and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said real estate, buildings or improvements in any manner (the "Personalty"); it being mutually agreed, intended and declared that all the aforesaid property shall, so far as permitted by law, be deemed to form a part and parcel of the real estate and for the purpose of this Mortgage to be real estate and covered by this Mortgage; and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well a Security Agreement under the provisions of the Uniform Commercial Code for the

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purpose of creating hereby a security interest in said property, which is hereby granted by Mortgagor as debtor to Mortgagee as secured party, securing the indebtedness hereby secured. The addresses of Mortgagor (debtor) and Mortgagee (secured party) appear at the beginning hereof.

GRANTING CLAUSE III.

All right, title and interest of Mortgagor now owned or hereafter acquired in and to all and singular the estates, tenements, hereditaments, privileges, easements, licenses, franchises, appurtenances and royalties, mineral, oil, and water rights belonging or in any wise appertaining to the property described in the preceding Granting Clause I and the buildings and improvements now or hereafter located thereon and the reversions, rents, issues, revenues and profits thereof, including all interest of Mortgagor in all rents, issues and profits of the aforementioned property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money as advanced rent or for security) under any and all leases or subleases and renewals thereof of, or under any contracts or options for the sale of all or any part of, said property (including during any period allowed by law for the redemption of said property after any foreclosure or other sale), together with the right, but not the obligation, to collect, receive and receipt for all such rents and other sums and apply them to the indebtedness hereby secured and to demand, sue for and recover the same when due or payable; provided that the assignments made hereby shall not impair or diminish the obligations of Mortgagor under the provisions of such leases or other agreements nor shall such obligations be imposed upon Mortgagee. By acceptance of this Mortgage, Mortgagee agrees, not as a limitation or condition hereof, but as a personal covenant available only to Mortgagor that until an event of default (as hereinafter defined) shall occur giving Mortgagee the right to foreclose this Mortgage, Mortgagor may collect, receive (but not more than 30 days in advance) and enjoy such rents.

GRANTING CLAUSE IV.

All judgments, awards of damages, settlements and other compensation heretofore or hereafter made resulting from condemnation proceedings or the taking of the property described in Granting Clause I or any part thereof or any building or other improvement now or at any time hereafter located thereon or any easement or other appurtenance thereto under the power of eminent domain, or any similar power or right (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for the payment thereof), whether

permanent or temporary, or for any damage (whether caused by such taking or otherwise) to said property or any part thereof or the improvements thereon or any part thereof, or to any rights appurtenant thereto, including severance and consequential damage, and any award for change of grade of streets (collectively "Condemnation Awards").

GRANTING CLAUSE V.

All property and rights, if any, which are by the express provisions of this instrument required to be subjected to the lien hereof and any additional property and rights that may from time to time hereafter, by installation or writing of any kind, be subjected to the lien hereof by Mortgagor or by anyone in Mortgagor's behalf.

GRANTING CLAUSE VI.

All rights in and to common areas and access roads on adjacent properties heretofore or hereafter granted to Mortgagor and any after-acquired title or reversion in and to the beds of any ways, roads, streets, avenues and alleys adjoining the property described in Granting Clause I or any part thereof.

TO HAVE AND TO HOLD the Mortgaged Property and the properties, rights and privileges hereby granted, bargained, sold, conveyed, mortgaged, pledged and assigned, and in which a security interest is granted, or intended so to be, unto Mortgagee, its successors and assigns, forever; provided, however, that this instrument is upon the express condition that if the principal of and interest on the Note shall be paid in full and all other indebtedness hereby secured shall be fully paid and performed, then this instrument and the estate and rights hereby granted shall cease, determine and be void and this instrument shall be released by Mortgagee upon the written request and at the expense of Mortgagor, otherwise to remain in full force and effect.

It is expressly understood and agreed that the indebtedness hereby secured will in no event exceed two hundred percent (200%) of (i) the total face amount of the Note plus (ii) the total interest which may hereafter accrue under the Note on such face amount plus (iii) any fees, costs or expenses which may be payable hereunder.

The Mortgagor hereby covenants with the Mortgagee as follows:

1. Indebtedness. The Mortgagor will pay the indebtedness evidenced by the Note in accordance with the terms thereof.

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2. Insurance.

(i) The Mortgagor will keep the Improvements and Personalty insured against loss by fire in an amount equal to at least 100% of the replacement cost thereof and the Premises insured against such other casualty for the benefit of the Mortgagor and Mortgagee as the Mortgagee shall direct. Included in such additional insurance shall be loss by flood if the Premises are located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazard and in which flood insurance has been made available under the National Flood Insurance Act, as amended. Each fire insurance policy shall have attached thereto an "Extended Coverage Endorsement" protecting against the perils of windstorm, cyclone, tornado, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, smoke, vehicles and other and different perils now or hereafter embraced by so-called "extended coverage". Originals of the policy or policies of such insurance shall be delivered to the Mortgagee at least thirty (30) days prior to the expiration date of existing policy or policies and shall be written in forms and amounts and by companies, satisfactory to the Mortgagee. The insurance company or companies must have a minimum Best's Key Rating of A:X or better. Losses under any insurance affecting the premises or any portion thereof shall be payable to the Mortgagee pursuant to a non-contributing first mortgagee endorsement acceptable to the Mortgagee. The Mortgagor shall promptly notify the Mortgagee of any loss covered by such insurance and the Mortgagee shall have the right to join with the Mortgagor in adjusting payment therefor. The Mortgagor will not take out separate or additional insurance for perils or losses covered by the policies required by this Mortgage unless the Mortgagee is included as a named insured with losses payable to the Mortgagee as provided above;

(ii) Net insurance proceeds received by Mortgagee under the provisions of this Mortgage or any instruments supplemental hereto or thereto or under any policy or policies of insurance covering the Improvements and Personalty or any part thereof shall first be applied toward the payment of the Note, without premium, whether or not the same may then be due or be otherwise adequately secured; provided, however, that such proceeds shall be made

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available for the restoration of the portion of the Improvements and Personalty damaged or destroyed if written application for such use is made within 30 days of receipt of such proceeds and the following conditions are satisfied: (i) Mortgagor has in effect rental interruption insurance covering the income to be lost during the restoration period as a result of the damage or destruction to the Improvements and Personalty or provides Mortgagee with other evidence reasonably satisfactory to it that Mortgagor has cash resources sufficient to pay its obligations during the restoration period; (ii) no event of default (as hereinafter defined), or event which, with the lapse of time, the giving of notice, or both, would constitute an event of default, shall have occurred and be continuing (and if such an event shall occur during restoration Mortgagee may, at its election, apply any insurance proceeds then remaining in its hands to the reduction of the indebtedness evidenced by the Notes and the other indebtedness hereby secured); (iii) Mortgagor shall have submitted to Mortgagee plans and specifications for the restoration which shall be reasonably satisfactory to it and (iv) Mortgagor shall submit to Mortgagee contracts with good and responsible contractors and materialmen covering all work and materials necessary to complete restoration and providing for a total completion price not in excess of the amount of insurance proceeds available for restoration, or, if a deficiency shall exist, Mortgagor shall have deposited the amount of such deficiency with Mortgagee. Any insurance proceeds to be released pursuant to the foregoing provisions shall be disbursed from time to time as restoration progresses to pay for restoration work completed and in place and such disbursements may at Mortgagee's option be made directly to Mortgagor or to or through any contractor or materialman to whom payment is due or to or through a construction escrow to be maintained by a title insurer reasonably acceptable to Mortgagee. Mortgagee may impose such further conditions upon the release of insurance proceeds (including the receipt of title insurance) as are customarily imposed by prudent construction lenders to insure the completion of the restoration work free and clear of all liens or claims for lien. All title insurance charges and other costs and expenses paid to or for the account of Mortgagor in connection with the release of such insurance proceeds shall constitute so much additional indebtedness hereby secured to be

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payable upon demand with interest at the rate applicable to the Note at the time such costs and expenses are incurred. Mortgagee may deduct any such costs and expenses from insurance proceeds at any time standing in its hands. If Mortgagor fails to request that insurance proceeds be applied to the restoration of the improvements or if Mortgagor makes such a request but fails to complete restoration within a reasonable time, Mortgagee shall have the right, but not the duty, to restore or rebuild said Improvements and Personalty or any part thereof for or on behalf of Mortgagor in lieu of applying said proceeds to the indebtedness hereby secured and for such purpose may do all necessary acts, including using funds deposited by Mortgagor as aforesaid and advancing additional funds for the purpose of restoration, all such additional funds to constitute part of the indebtedness hereby secured payable upon demand with interest at the rate applicable to the Note at the time such costs and expenses are incurred.

3. Maintenance and Repairs; Alterations. The Mortgagor will maintain the Premises and Personalty in good order and condition and will promptly make all repairs, replacements and improvements which are necessary to accomplish the foregoing. The Improvements shall not be removed, demolished or substantially altered without the prior written consent of the Mortgagee. Personalty may not be removed from the Premises except where appropriate replacements, free of liens or claims, are immediately made of a value equal to at least the value of the personalty removed unless consented to by the Mortgagee in writing. The Mortgagor shall not commit or permit any waste on the Premises.

4. Real Estate Taxes. The Mortgagor will pay when due and payable and prior to the imposition of any premium or additional payment, the following (all of said amounts collectively referred to as "Taxes"): all taxes, general and special assessments, water, drainage and sewer charges, license fees and all other charges or impositions of any kind whatsoever, ordinary or extraordinary, which may be levied, assessed, imposed or charged on or against the Mortgaged Property or any portion thereof or the rents or income arising therefrom (other than income or franchise taxes of the Mortgagee) to the extent not paid by reason of the deposits pursuant to Section 5 hereof. Assessments affecting the Premises may be paid in installments if the assessment authority permits such payment without premium or additional payment provided that upon any default by the Mortgagor in the performance of the terms, covenants and conditions in the Note or the Mortgage, the Mortgagee may, by notice to the Mortgagor, require that all unpaid installments be

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immediately paid. Upon request of the Mortgagee, the Mortgagor shall deliver to the Mortgagee receipts showing payment of all Taxes.

5. Escrow Payments. The Mortgagor shall, in addition to the monthly payments pursuant to the Note, pay to the Mortgagee on the due date of each payment under the Note until the Note is fully paid, a sum sufficient to accumulate by constant monthly payments by the date thirty days prior to the due date thereof, the amount of the Taxes and insurance premiums next due and payable. The determination of the amounts payable shall be made by the Mortgagee based on the current amount of taxes and insurance premiums or, if said amounts are unknown, on the basis of the immediately preceding year. The aforesaid payments shall be deposited with the Mortgagee in an account bearing interest at the standard, day of deposit, day of withdrawal, passbook rate for regular depositors. The Mortgagee shall apply the amount deposited hereunder to the payment of Taxes and insurance premiums as they become due and payable.

If the payments provided for herein shall be insufficient to pay an installment of Taxes or insurance premiums in full when due and payable, the Mortgagor shall pay to the Mortgagee, on demand by the Mortgagee, the amount of any deficiency.

If there shall be a default under any of the provisions of this Mortgage and an action or proceeding shall be commenced to foreclose this Mortgage, the Mortgagee shall be, and hereby is, authorized and empowered at the Mortgagee's option to apply at the time of the commencement of said action or proceeding, or at any time thereafter, the balance then remaining in the funds accumulated hereunder, as a credit against the amount of principal or interest then remaining unpaid under the Note. In the absence of a default hereunder, all interest on such account shall accrue for the benefit of the Mortgagor.

6. Title. The Mortgagor warrants good and marketable title to the Premises and that this Mortgage is and will remain a valid and enforceable first lien on the Mortgaged Property subject, in each case, only to items listed as exceptions to title coverage in the title insurance policy insuring the lien of this Mortgage (other than standard printed exceptions set forth in such policy). The Mortgagor represents that it is the owner of the Personalty free and clear of all liens and encumbrances. The Mortgagor will, at no cost or expense to the Mortgagee, defend title to the Premises and Personalty and the lien of this Mortgage on the Mortgaged Property against the claims of all persons or entities.

7. Mechanic's Liens. The Mortgagor will pay all claims of mechanics, suppliers and laborers who supply or provide

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goods or services to the Premises or any portion thereof and will, within thirty days after filing, discharge any lien filed by any such party against the Premises or any portion thereof.

Nothing contained in this Section shall require payment of any claim of any mechanic, supplier or materialman so long as the Mortgagor, at its expense, contests the validity thereof by appropriate legal proceedings which shall prevent the collection thereof or sale or forfeiture of all or any portion of the Mortgaged Property provided that the Mortgagee shall be provided with a bond or other security satisfactory to the Mortgagee assuring discharge or payment of any such claim.

8. Other Taxes. The Mortgagor shall pay any taxes, other than federal, state or local income taxes, imposed upon the Mortgagee by reason of the ownership of this Mortgage, the Note or any other instrument referred to herein.

9. Compliance With Law. The Mortgagor will comply with all regulations, rules, ordinances, statutes, order and decrees of any governmental authority or court claiming jurisdiction over the mortgaged Property or any portion thereof. In the event any violations of the foregoing shall be filed against the Premises, the Mortgagor shall notify the Mortgagee thereof in writing and deliver to the Mortgagee a discharge of record thereof within 90 days of the date of filing of the violation.

10. Condemnation. The Mortgagor will promptly notify the Mortgagee of the institution of any condemnation or eminent domain proceeding affecting the Premises or any portion thereof. The Mortgagee may participate in any such proceedings and the Mortgagor shall deliver to the Mortgagee copies of all documents received by the Mortgagor in connection therewith. The proceeds of any award or compensation payable as a result of any such proceeding, including proceedings affecting streets adjacent to the Premises or damage caused by any public authority, are hereby assigned, and shall be paid, to the Mortgagee. Such proceeds shall, at the sole option of the Mortgagee, be applied to prepayment of the Note, without premium, or to payment of the cost of restoration of the Improvements upon such terms and conditions as the Mortgagee may direct; provided, that Mortgagee will not unreasonably withhold its consent to the request by Mortgagor for application of such proceeds to the payment of the cost of restoration of the Improvements, all upon such terms and conditions as the Mortgagee may direct. Notwithstanding any rate of interest payable on any such award by the condemning authority, the Mortgagor shall continue to pay interest at the rate specified in the Note or, if the condemnation authority shall make payment of a portion of such interest, an amount equal to the difference between the rate actually paid by such authority and the amount set forth in the Note so that the Mortgagee shall

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at all times continue to receive interest at the rate specified in the Note as provided therein.

11. Assignment of Leases and Rents. The Mortgagor hereby assigns to the Mortgagee all leases or other agreements for use or occupancy or any portion of the Premises and the rents, issues and profits (all of said amounts are collectively referred to as "Rents") arising therefrom as further security for the payment of the Note which assignment shall continue in effect until the Note is paid in full. This assignment shall be a present assignment and the Mortgagor hereby grants to the Mortgagee the right to enter upon the Premises for the purpose of collection of the Rents provided, however, that the Mortgagee shall not enter upon the Premises for such purpose unless and until the Mortgagor shall default beyond applicable grace periods, if any, under any of the terms, covenants or conditions contained in the Note or the Mortgage. Upon any such default, the Mortgagee may, on five days prior written notice to the Mortgagor, revoke the right of the Mortgagor to collect the Rents and thereafter the Mortgagee may exercise the rights granted by the Mortgagor to the Mortgagee hereunder. The Mortgagee shall apply the Rents in payment of principal and interest becoming due on the Note and Mortgage and of expenses of the Mortgaged Property in such order as the Mortgagee may elect. If the Mortgagor shall be in possession of any portion of the Mortgaged Property at the time of a default under this Mortgage, the Mortgagor shall pay monthly in advance to the Mortgagee, or to any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation thereof. Upon default in any such payment, the Mortgagor shall vacate and surrender possession of such occupied portion to the Mortgagee or to such receiver, and in default thereof may be evicted by summary proceedings.

The Mortgagee shall not be obligated for the performance of any of the obligations of the lessor under any lease of the Premises or any portion thereof by reason of the foregoing assignment.

The Mortgagor shall not execute any other assignment of leases or rents from the Premises or any portion thereof.

12. Leases, Security Deposits. The Mortgagor shall not, without the prior written consent of the Mortgagee:

(i) cancel or terminate, or agree to cancel or terminate, any lease of the Premises or of any portion thereof in excess of 3,000 square feet unless, in connection therewith a new lease or leases is or are entered into which complies with (ii) below and is or are with a tenant or tenants with a credit standing(s) equivalent to or better than the tenant under such cancelled or terminated lease; or

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(ii) execute any new lease or leases for any portion of the Premises unless, in each case, such new lease(s) provides for rent and additional rent equal to or greater than the aggregate net rent and additional rent payable under the immediately preceding lease(s) of such space and for terms and conditions not materially less onerous than such previously existing lease; in the event a new or modified lease covers an area previously subject to more than one lease or a portion of a leased area the foregoing determination shall be made on a proportionate basis; or

(iii) modify any existing lease of the Premises to shorten the term thereof, decrease the amount of net rental or other sums due and payable thereunder or make materially less onerous the terms and conditions thereof except in connection with the execution of a new lease which complies with (ii) above; or

(iv) execute any lease of all or a substantial portion of the Premises except for actual occupancy by the lessee thereunder.

Whenever the Mortgagee's prior consent is required under this Section 12, Mortgagor shall request such consent in writing. Mortgagee shall have (x) ten (10) business days (for a request pursuant to subsection 12(i)) or pursuant to subsection 12(ii) which involves a lease of less than 3,000 square feet) or (y) fifteen (15) business days (for a request pursuant to subsection 12(ii) which involves a lease of 3,000 or more square feet) following receipt of such request (or, if additional information or documents are required by Mortgagee in order to make such determination, from the receipt by Mortgagee of the last of such requested information or documents) to grant or deny its consent. Such grant or denial may be in writing or may be telephonically communicated to Mortgagor. Failure of Mortgagee to deny its consent within the applicable time period shall be deemed to be a granting of such consent by Mortgagee. Mortgagee agrees not to unreasonably withhold its consent under subsection 12(ii).

The Mortgagor will perform promptly all covenants, conditions and agreements contained in all leases of the Premises and will take all reasonable steps to compel performance by each lessee under its lease.

The Mortgagee shall not be bound by any payment of rent or additional rent for more than one month in advance or by any amendment or modification of any lease for any portion of the Premises.

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The Mortgagor shall furnish to the Mortgagee, within ten days after a request by the Mortgagee, with a written statement setting forth the names of all lessees of the Premises, the space occupied and the rental payable thereunder together with, if requested by the Mortgagee, copies of such leases.

13. Additions. Any additions, renewals, substitutions or replacements for any portion of the Mortgaged Property shall become subject to the lien of this Mortgage immediately upon such addition, renewal, substitution or replacement as though originally owned by the Mortgagor and specifically made subject to this Mortgage.

14. Further Assurances. The Mortgagor shall, upon the request of the Mortgagee, without cost to the Mortgagee, make, execute and deliver any and all instruments which may be necessary for the purpose of making effective any of the covenants, agreements or provisions contained in this Mortgage.

15. Fees and Expenses. The Mortgagor will pay all filing, registration and recording fees and other expenses relating to this Mortgage, any financing statements filed in connection therewith, any supplements or additions to the foregoing, any satisfaction or assignment requested by the Mortgagor and all taxes or assessments relating to this Mortgage or the indebtedness secured hereby. The Mortgagee shall be entitled to recover the reasonable fees and expenses of its counsel incurred in connection with any default under the Note or this Mortgage including fees and expenses incurred in any foreclosure proceeding pursuant to this Mortgage. If the holder of this Mortgage shall become a party in any action or proceeding in which it becomes necessary to defend or uphold the lien of this Mortgage, all sums paid by said holder in connection therewith, including reasonable counsel fees, shall be paid by the Mortgagor and said amount shall be a lien on the Mortgaged property. If the Mortgagor shall fail to pay such sums upon request by the Mortgagee, the amount thereof shall bear interest at the rate set forth in Section 28 hereof from the date of request to the date of payment.

16. Performance by Mortgagee. If the Mortgagor shall default in the performance of any of the covenants contained herein, the Mortgagee may make advances to perform such covenants. All sums so advanced shall be immediately due and payable, shall bear interest at the rate set forth in Section 28 hereof from the date of advance to the date of payment and shall be a lien upon the Mortgaged Property. Performance by the Mortgagee of any such covenant shall not constitute performance by the Mortgagor for the purposes of Section 20 hereof.

17. Estoppel Certificates. The Mortgagor shall, within five (5) days of request by the Mortgagee, furnish a

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written statement to the Mortgagee setting forth the amount due and payable on this Mortgage together with a statement confirming by reference to exhibits the form of this Mortgage and the Note and stating whether there exist any modifications thereof.

18. Notices. All notices pursuant to this Mortgage shall be directed to the addresses set forth herein (in the case of notice to the Mortgagee, Attention: Mortgage Department; and in the case of notice to the Mortgagor, Mortgagee shall, in addition, use its best efforts to send copies of each such notice to the Mortgagor at 33 North LaSalle Street, Chicago, Illinois 60690 and to Mortgagor's attorneys, Altheimer & Gray, 333 West Wacker Drive, Suite 2600, Chicago, Illinois 60603, Attention: Barry J. Nekritz) or such other address as may be specified by the party to which or whom notices are to be given. Notices may be served in person or sent by mail by depositing in any United States post office station or letterbox in a post paid envelope.

19. Financial Statements. The Mortgagor will furnish, in writing, to the Mortgagee, annually, within sixty (60) days of the close of the Hatch Farm Limited Partnership (the "Beneficiary")'s fiscal year, a true itemized statement for the immediately preceding year of the gross income and all expenses of operation of the Mortgaged Property. Said statement shall be prepared by a Certified Public Accountant, shall be certified to the Mortgagee by a General Partner of the Beneficiary and shall be subject to audit by the Mortgagee or its representative. The Mortgagor will keep or cause the Beneficiary to keep adequate books and records to enable it to comply with the foregoing and shall permit and cause the Beneficiary to permit the Mortgagee and its agents to inspect the Premises and audit and examine such books and records at such reasonable time as may be requested by the Mortgagee.

20. Defaults. It shall constitute a default under this Mortgage if any of the following shall occur:

(a) default shall be made in any payment due and payable under the Note as provided therein for a period of 10 days or more; or

(b) default, other than a default specified in (a) above, shall be made in the payment of any sum due and payable under this Mortgage for a period of 10 days or more after written notice thereof shall have been given to the Mortgagor; or

(c) if there shall be a default, other than a default specified in (a) or (b) above, in the observance or performance of any other covenant, condition, representation or warranty of this Mortgage or the Note for a period of 30 days or more after written notice thereof has been given to the Mortgagor; or

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(d) if it shall be illegal for the Mortgagor to pay the taxes contemplated by Section 8 hereof; or

(e) if the Mortgagor or the Beneficiary shall become the subject of any proceeding pursuant to the federal Bankruptcy Act or any other similar state or federal law or if the Mortgagor or the Beneficiary shall be declared a bankrupt or insolvent, or shall make an assignment for the benefit of creditors, or shall consent to an appointment of a receiver of any part of the Mortgaged Property; or

(f) if the Premises or any portion thereof shall become subject to any lien or encumbrance or other financing arrangement or the lien of any judgment other than the lien of this Mortgage or a lien or financing arrangement approved in writing by the Mortgagee; or

(g) if title to the Premises or any portion thereof or the beneficial interest therein shall be in any manner sold, assigned, conveyed, encumbered or transferred, whether voluntarily or involuntarily; for the purposes hereof a transfer shall include an agreement for the future transfer of title or the transfer, or agreement to transfer, of any interest (or portion of such interest) in the Beneficiary; provided, however, that any general partner of the Beneficiary may transfer all or any portion of his or her interest to his or her spouse, or their direct descendants, or to another general partner, without such transfer constituting a default hereunder, subject, however, to the prior written consent of the Mortgagee if such transfer occurs prior to or contemporaneous with the date on which, pursuant to that certain Master Lease of even date herewith between the Mortgagor and the Mortgagee (the "Master Lease") and that certain Guaranty of Payment of even date herewith from the individual general partners of the Beneficiary in favor of the Mortgagee (the "Guaranty"), the Master Lease and Guaranty are released.

21. Remedies. When any default has happened and is continuing (regardless of the pendency of any proceeding which has or might have the effect of preventing Mortgagor from complying with the terms of this instrument and of the adequacy of the security for the Note) and in addition to such other rights as may be available under applicable law, but subject at all times to any mandatory legal requirements:

(a) Acceleration. Mortgagee may, by written notice to Mortgagor, declare the Note and all unpaid indebtedness hereby secured, including any interest then accrued thereon, to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without other notice or demand of any kind.

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(b) Uniform Commercial Code. Mortgagee shall, with respect to any part of the Mortgaged Property constituting property of the type in respect of which realization on a lien or security interest granted therein is governed by the Uniform Commercial Code, have all the rights, options and remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation, the right to the possession of any such property, or any part thereof, and the right to enter without legal process any premises where any such property may be found. Any requirement of said Code for reasonable notification shall be met by mailing written notice to Mortgagor at its address above set forth at least 10 days prior to the sale or other event for which such notice is required. The expenses of retaking, selling, and otherwise disposing of said property, including reasonable attorney's fees and legal expenses incurred in connection therewith, shall constitute so much additional indebtedness hereby secured and shall be payable upon demand with interest at the interest rate applicable to the Note at the time the expense is incurred.

(c) Foreclosure. Mortgagee may proceed to protect and enforce the rights of Mortgagee hereunder (i) by any action at law, suit in equity or other appropriate proceedings, whether for the specific performance of any agreement contained herein, or for an injunction against the violation of any of the terms hereof, or in aid of the exercise of any power granted hereby or by law, or (ii) by the foreclosure of this Mortgage.

(d) Appointment of Receiver. Mortgagee shall, as a matter of right, without notice and without giving bond to Mortgagor or anyone claiming by, under or through it, and without regard to the solvency or insolvency of Mortgagor or the then value of the Mortgaged Property, be entitled to have a receiver appointed of all or any part of the Mortgaged Property and the rents, issues and profits thereof, with such power as the court making such appointment shall confer, and Mortgagor hereby consents to the appointment of such receiver and shall not oppose any such appointment. Any such receiver may, to the extent permitted under applicable law, without notice, enter upon and take possession of the Mortgaged Property or any part thereof by force, summary proceedings, ejectment or otherwise, and may remove Mortgagor or other persons and any and all property therefrom, and

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may hold, operate and manage the same and receive all earnings, income, rents, issues and proceeds accruing with respect thereto or any part thereof, whether during the pendency of any foreclosure or until any right of redemption shall expire or otherwise.

(e) Taking Possession, Collecting Rents, Etc. Mortgagee may enter and take possession of the Mortgaged Property or any part thereof and manage, operate, insure, repair and improve the same and take any action which, in Mortgagee's judgment, is necessary or proper to conserve the value of the Mortgaged Property. Mortgagee may also take possession of, and for these purposes use, any and all personal property contained in the Mortgaged Property and used in the operation, rental or leasing thereof or any part thereof. Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues and profits of the Mortgaged Property or any part thereof (and for such purpose Mortgagor does hereby irrevocably constitute and appoint Mortgagee its true and lawful attorney-in-fact for it and in its name, place and stead to receive, collect and receipt for all of the foregoing, Mortgagor irrevocably acknowledging that any payment made to Mortgagee hereunder shall be a good receipt and acquittance against Mortgagor to the extent so made) and to apply same to the reduction of the indebtedness hereby secured. The right to enter and take possession of the Mortgaged Property and use any personal property therein, to manage, operate and conserve the same, and to collect the rents, issues and profits thereof, shall be in addition to all other rights or remedies of Mortgagee hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The expenses (including any receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be so much additional indebtedness hereby secured which Mortgagor promises to pay upon demand together with interest at the rate applicable to the Note at the time such expenses are incurred. Mortgagee shall not be liable to account to Mortgagor for any action taken pursuant hereto other than to account for any rents actually received by Mortgagee. Without taking possession of the Mortgaged Property, Mortgagee may, in the event the Mortgaged Property becomes vacant or is abandoned, take such steps as it deems appropriate to protect and secure the Mortgaged Property (including hiring watchmen therefor) and all costs incurred in so doing shall constitute so much additional indebtedness hereby secured payable upon demand with interest thereon at the rate applicable to the Note at the time such costs are incurred.

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22. Waiver of Right to Redeem From Sale - Waiver of Appraisalment, Valuation, Etc. Mortgagor shall not and will not apply for or avail itself of any appraisalment, 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 Mortgaged Property, marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. In the event of any sale made under or by virtue of this instrument, the whole of the Mortgaged Property may be sold in one parcel as an entirety or in separate lots or parcels at the same or different times, all as the Mortgagee may determine. Mortgagee shall have the right to become the purchaser at any sale made under or by virtue of this instrument and Mortgagee so purchasing at any such sale shall have the right to be credited upon the amount of the bid made therefor by Mortgagee with the amount payable to Mortgagee out of the net proceeds of such sale. In the event of any such sale, the Note and the other indebtedness hereby secured, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. Mortgagor hereby waives any and all rights of redemption prior to or from sale under any order or decree of foreclosure pursuant to rights herein granted, on behalf of Mortgagor, and each and every person acquiring any interest in, or title to the Mortgaged Property described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by applicable law.

23. Costs and Expenses of Foreclosure. In any suit to foreclose the lien hereof there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographic charges, publication costs and costs (which may be estimated as the items to be expended after the entry of the decree) of procuring all such abstracts of title, title searches and examination, guarantee policies, Torrens certificates and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute any foreclosure action or to evidence to the bidder at any sale pursuant thereto the true condition of the title to or the value of the Mortgaged Property, all of which expenditures shall become so much additional indebtedness hereby secured which Mortgagor agrees to pay and all of such shall be immediately due and payable with interest thereon from the date of expenditure until paid at the rate applicable to the Note at the time of expenditure.

24. Application of Proceeds. The proceeds of any foreclosure sale of the Mortgaged Property or of any sale of property pursuant to Section 21(b) hereof shall be distributed in the following order of priority: First, on account of all costs and expenses incident to the foreclosure or other proceedings including all such items as are mentioned in Sections 21(b) and 23 hereof; Second, to all other items which under the terms hereof constitute indebtedness hereby secured in addition to that evidenced by the Note with interest thereon as herein provided; Third, to all principal of and interest on the Note with any overplus to whomsoever shall be lawfully entitled to same, til such deficiency decree is satisfied in full.

25. Mortgagee's Remedies Cumulative - No Waiver. No remedy or right of Mortgagee shall be exclusive of but shall be cumulative and in addition to every other remedy or right now or hereafter existing at law or in equity or by statute or otherwise. No delay in the exercise or omission to exercise any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

26. Personalty; Security Agreement. This Mortgage shall constitute a security agreement for all Personalty for the purposes of the Uniform Commercial Code. The Mortgagor hereby authorizes the Mortgagee to file any financing statement necessary under such Code to perfect the security interest of the Mortgagee without requiring the signature of the Mortgagor. The Mortgagor shall not execute or deliver any other financing statement or agreement creating a lien, encumbrance, or reservation of title for any of the Personalty without the consent in writing of the Mortgagee.

27. Default Interest. If the principal balance of this Mortgage is not paid when due and payable whether by maturity or acceleration, the outstanding balance shall bear interest from the due date to the date of payment in full at the rate of 3% in excess of the greater of (i) the rate set forth in the Note or (ii) the announced reference rate of Manufacturers Hanover Trust Company. For the purposes hereof, and of the Note, reference rate shall mean the rate announced as such rate by said Company and is not intended to be the lowest rate charged by such lender in connection with extensions of credit to debtors. In the event said Company shall no longer have an announced reference rate, the rate shall be a comparable rate from a lending institution with offices in New York City selected by the Mortgagee.

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28. Interest Limitation. No provision contained in this Mortgage or the Note shall require the payment or permit collection of interest in excess of the maximum amount permitted by law for a loan of the nature of the loan secured by this Mortgage and the Mortgagor shall not be obligated to pay any interest in excess of such amount.

29. Hazardous Materials. Mortgagor represents and warrants that, except as previously disclosed in writing to Mortgagee, the Mortgaged Property does not contain asbestos, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million or any other chemical, material or substance exposure to which is prohibited, limited or regulated by the United States, the State of Illinois, and any political subdivision thereof and any agency, department, commission, board, bureau or instrumentality of any of them which exercises jurisdiction over the Mortgaged Property; and the Mortgaged Property is not now being used and has never been used for any activities involving, directly or indirectly, the use, generation, treatment, storage or disposal of any hazardous or toxic chemical, material, substance or waste. Mortgagor shall not cause or permit the violation of any law relating to industrial hygiene or environmental conditions in connection with the Mortgaged Property, including soil and ground water conditions, or use, generate, manufacture, store or dispose of on, under or about the Mortgaged Property, any flammable explosives, radioactive materials, hazardous wastes, toxic substances and similar substances and materials, including all substances and materials defined as hazardous or toxic wastes, substances or materials under any applicable law (collectively, "Hazardous Materials"). Without Mortgagee's prior written consent, Mortgagor shall take no remedial action with respect to any Hazardous Materials on, under or about the Mortgaged Property, and shall not enter into any settlement agreement, consent decree or other compromise or agreement relating to any such Hazardous Materials.

30. Successors. The provisions of this Mortgage shall run with the land and bind the legal representatives and heirs (if applicable) and successors and assigns of the parties hereto and all subsequent owners of the Mortgaged Property without, however, affecting any provision hereof requiring the consent of the Mortgagee to a transfer of the Premises. References herein to Mortgagee shall include any holder of this Mortgage and the Note.

31. Non-Recourse. Notwithstanding anything herein contained to the contrary, any and all undertakings and agreements of the Mortgagor contained herein shall not be deemed, interpreted or construed as the personal undertaking or agreement of, or as creating any personal liability upon, Borrower or any

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partner of Borrower personally or individually for the performance of any undertaking, agreement or obligation, or the payment of any money hereunder, or for any claim based hereon. It is expressly understood and agreed that Mortgagee shall have the right under this Mortgage to enforce the agreements and undertakings contained herein against the Borrower by seeking recourse to, and enforcement against, the Mortgaged Property. Nothing contained in this paragraph shall be deemed to limit the liability of any general partner of Borrower under that certain Guaranty of Payment dated July 1, 1988 from said general partners to Mortgagee.

32. Miscellaneous. This Mortgage constitutes the entire agreement of the Mortgagee and Mortgagor and cannot be changed orally. The Mortgagee's right to pursue any right or remedy available pursuant to this Mortgage or at law shall be unaffected by any oral waiver and a waiver of any such right or remedy, to be effective, must be in writing and executed by the Mortgagee.

No delay or omission by the Mortgagee in exercising any right or power set forth herein or at law shall constitute a waiver thereof. In the event more than one party is named as Mortgagor hereunder, the covenants of each party shall be joint and several. In the event any provision of this Mortgage shall be held to be invalid, illegal or unenforceable, such provisions shall not affect any other provision of this Mortgage and, at the option of the Mortgagee, this Mortgage shall be construed as if such provision had not been contained herein.

33. Exculpation. This Mortgage is executed by American National Bank and Trust Company of Chicago, 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 Trustee hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said Note contained shall be construed as creating any liability on said Trustee personally to pay the said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, either express or implied, herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as said Trustee personally is concerned, the legal holder or holders of said Note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said Note provided or by action to enforce the personal liability of any guarantors of the indebtedness hereby secured or by proceeding against any other collateral security therefor.

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IN WITNESS WHEREOF, American National Bank and Trust Company of Chicago, not personally but as Trustee as aforesaid, has caused these presents to be signed by its Vice President, and its corporate seal to be hereunto affixed and attested by its Assistant Secretary, the day and year first above written.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, As Trustee as Aforesaid and Not Personally

By [Signature]
Its ~~SECRETARY~~ Vice President

J. EDWARDS
Type or Print Name

(SEAL)

ATTEST:

[Signature]
Its ~~ASSISTANT~~ Secretary

L. Michael Whelan

Type or Print Name

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COOK COUNTY, ILLINOIS
FILED FOR RECORD

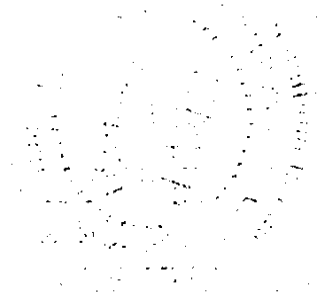
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STATE OF ILLINOIS)
) SS
COUNTY OF C O O K) **L. M. SOVIENSKI**

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Peter H. Johanson, President of American National Bank and Trust Company of Chicago, a national banking association, and J. MICHAEL WHELAN, Secretary of said national banking association, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and ASSISTANT Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said national banking association, as Trustee as aforesaid, for the uses and purposes therein set forth; and the said ASSISTANT Secretary then and there acknowledged that he, as custodian of the seal of said corporation, did affix the corporate seal of said national banking association to said instrument, as his own free and voluntary act and as the free and voluntary act of said national banking association as Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, 1988.

JUL 05 1988

L. M. Sovieniski

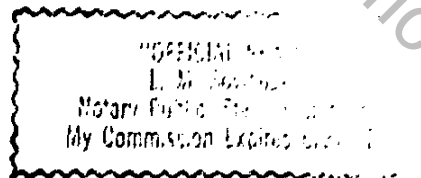
Notary Public

L. M. SOVIENSKI

Type or Print Name

(SEAL)

My Commission Expires:



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SCHEDULE I

Land

SUB LOTS 1 AND 2 OF LOT 5, ALSO THE NORTH 1/2 OF LOT 8 AND THE NORTH 4 FEET OF THE SOUTH 1/2 OF LOT 8 ALL IN BLOCK 1 IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO IN SECTION 15, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property Address: 18 South Michigan Avenue
Chicago, Illinois

P.I.N. No. 17-15-101-011-0000
17-15-101-012-0000

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