

First American Title Order # CN 22300

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MORTGAGE AND SECURITY AGREEMENT

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THIS INDENTURE WITNESSETH, that Chicago Title and Trust Company, not personally, but solely as Trustee under Trust Agreement dated March 23, 1988, and Known as Trust No. 1090610 (the "Land Trust") (herein together with its successors and assigns referred to as the "Mortgagor") hereby mortgages, grants, conveys, and warrants to ITT COMMERCIAL FINANCE CORP., a Nevada corporation (hereinafter together with its successors and assigns referred to as the "Mortgagee") the real estate situated in the County of Cook, State of Illinois described on the attached Exhibit A.

TOGETHER WITH all and singular the easements, tenements, hereditaments, appurtenances and other rights and privileges thereunto belonging or in any wise now or hereafter appertaining, and the rents, issues and profits thereof which are pledged primarily and in addition Mortgagee hereby grants to Mortgagee a security interest in all the equipment necessary for the operation of the property mortgaged hereby as a self-storage facility, Mortgagee also grants Mortgagee a security interest all of the Mortgagor's personal property, including furniture, fixtures, and equipment, contracts with third parties, licenses, apparatus, fittings, leases, income, rents, and articles of personal property of every kind and nature whatsoever, located at, pertaining to the operations of, or usable in connection with the Project, all whether now owned or hereafter acquired, including without limitation: (i) all construction materials; all gas, water and electrical equipment, plumbing, conduits, ducts, tanks, pumps and compressors, air-cooling, lifting, communications and power equipment, engines and motors, elevators and switchboards; all cleaning equipment, shades, awnings, floor coverings and carpeting, refrigerators, stoves, dishwashers, cabinets, screens, storm doors and windows, musical and entertainment equipment; and all replacements, repairs and substitutions of the same; (ii) any and all present or future leases or tenancies, written or oral, covering or affecting all or any part of the property mortgaged hereby together with: (a) all guarantees of the aforesaid leases including guarantees of tenant performance thereof; (b) all insurance proceeds, including rental loss coverage and business interruption coverage as to said leases; (c) all awards or proceeds from any condemnation of the property mortgaged hereby or any part thereof; (d) all judgments or settlements of claims in favor of Mortgagor and arising out of said leases in any court proceeding, including any bankruptcy, reorganization, insolvency or debtor proceeding or case or otherwise; (e) all security deposits made hereunder including security deposits held in Mortgagor's bank account or in any property manager's bank account; (iii) all rents and other income or payments of any kind due or payable or to become due or payable as the result of any use, possession or occupancy of all or any portion of the property mortgaged hereby or as a result of the use or lease of any personal property constituting a part of the property mortgaged hereby including without limitation all accounts receivable arising out of the leasing and operation of the business conducted at or in relation to the Mortgaged Property; (iv) all revenues from the property mortgaged hereby in excess of all costs, charges, and expenses which are directly attributable to the operation, repair, and maintenance of the property mortgaged hereby including all taxes, rates, charges, levies and assessments imposed by any competent authority upon or in respect of the property mortgaged hereby; (v) all contracts with third parties related to or having to do with the managing, marketing, maintenance or operation in the normal course of business of the property mortgaged hereby; (vi) all trademarks, tradenames, or symbols under which the Mortgaged Property is operated or the business of Mortgagor at the Mortgaged Property is conducted; (vii) all monetary deposits which Mortgagor has been required to give to any public or private utility company with respect to utility services furnished, or to be furnished, to the Mortgaged Property including without limitation gas, waste removal, water, electric, sewer and telephone services; (viii) all permits, licenses, franchises, certificates, and other rights and privileges obtained by Mortgagor in connection with the Mortgaged Property; and (ix) all plans and specifications for the Project. Upon default pursuant to the provisions of this Agreement, CMF becomes entitled to all remedies provided by the Uniform Commercial Code as adopted in the State of Illinois. (All of the foregoing is collectively referred to herein as the "Mortgaged Property"). Mortgagor hereby covenants and agrees that upon the occurrence of an event of default hereunder, Mortgagee may, in addition to any other remedy provided for herein or which it may have at law or equity, exercise all rights granted to it under the Illinois Uniform Commercial Code. The filing of this Mortgage

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This instrument prepared by and to be returned to:

Timothy M. Walsh
Attorney at Law
1400 North Central Life Tower
P.O. Box 64777
St. Paul, Minnesota 55164



P.I.N. 13-31-205-055

Common Property Address: 2200 North Natchez Avenue, Chicago, Illinois

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shall constitute the filing of a financing statement in the office wherein it is filed and a carbon, photograph or other reproduction of this document may also be filed as a financing statement.

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

THE MORTGAGOR HEREBY COVENANTS AND AGREES:

1. This Mortgage is given as security for the performance and observance of the terms, conditions, stipulations, provisions, covenants and agreements hereof and of any other agreement, document or instrument given by Mortgagor to Mortgagee to secure indebtedness secured hereby, and for the payment of all sums which may become due hereunder and to secure to the Mortgagee the payment of the sum of Three Million Four Hundred Sixty-Five Thousand Dollars (\$3,465,000.00), together with interest thereon, evidenced by the Mortgagor's and Mortgagor's co-maker's Mortgage Note of even date herewith, a copy of which is attached hereto as Exhibit C and made a part hereof (the "Note"), and any and all advances now or hereafter made by Mortgagee under the terms and conditions of the Note, the Loan and Security Agreement of even date among Mortgagor, Mortgagee and Extra Space Development, Inc. (the "Loan Agreement") or this Mortgage, and any renewals, modifications, amendments or extensions of this Mortgage, the Note, Assignment (Collateral) of Trust and Security Agreement, or the Loan Agreement, payable according to its terms to the order of the Mortgagee, the final payment of the entire indebtedness being due and payable on the 10th day of August, 1994. In no event will the advancement under this Mortgage exceed three (3) times the face amount of the Note principal secured by this Mortgage.
2. This Mortgage is also given as security for the Loan Agreement and in connection therewith the Mortgagor agrees as follows:
 - A. Each and all of the terms, provisions, restrictions, covenants, and agreements set forth in the Loan Agreement, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, are incorporated herein by reference to the same extent as though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein and as though any amendment or supplement to the Loan Agreement were fully set out in an amendment or supplement to this Mortgage; and Mortgagor does hereby covenant and agree well and truly to abide by, perform and be governed and restricted by each and all of the matters provided for by the Loan Agreement and so incorporated herein to the same extent and with the same force and effect as if each and all of said terms, provisions, restrictions, covenants and agreements so incorporated herein by reference were set out and repeated herein at length. This Mortgage shall constitute a "Construction Mortgage" within the meaning of the applicable section of the Illinois Commercial Code.
 - B. Construction - The provisions of this Mortgage do not supercede, but are supplemental to the provisions of the Loan Agreement. Any default by Mortgagor under the terms and conditions of the Loan Agreement shall constitute an event of default under this Mortgage. Mortgagor and Mortgagee intend that Mortgagee shall enjoy all the benefits and protections of the various provisions of both this Mortgage and the Loan Agreement, and that if there exists a direct conflict between the provisions of the Loan Agreement and this Mortgage, the provisions of the Loan Agreement shall control, unless Mortgagee shall elect otherwise in writing.
3. Mortgagor is well and lawfully seized of the Mortgaged Property as a good and indefeasible estate in fee simple and has good right and full power to sell and convey the same, that the Mortgaged Property is free and clear of all encumbrances, except the Permitted Encumbrances set forth on the attached Exhibit B; that the Mortgagor will make any further assurances of title that the Mortgagee may require and will warrant and defend the Mortgaged Property against all claims and demands whatsoever.
4. Mortgagor will pay the indebtedness hereby secured and interest thereon promptly on the days specified for the same to become due and payable, and also on demand any other indebtedness that may accrue and become due and payable to the Mortgagee under the terms and provisions of this Mortgage.
5. Mortgagor will keep protected and in good order, repair and condition at all times the buildings and improvements (including fixtures) now standing or hereafter erected or placed upon the Mortgaged Property, and any and all appurtenances, apparatus and articles of personal property, including but not limited to furniture, furnishings and equipment, now or hereafter in or attached to or used in connection with said buildings or improvements, promptly replacing any of the aforesaid which may become lost, destroyed or unsuitable for use.

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6. During the entire term of this Mortgage, Mortgagor will maintain a policy or policies of insurance insuring the buildings and improvements now existing or hereafter erected on the Mortgaged Property in the amounts and for the categories of coverage required in the Loan Agreement. In the event of any foreclosure action or any voluntary transfer of the Mortgaged Property with Mortgagee's consent, all right, title and interest of Mortgagor in and to any policy of insurance then in force shall pass to the purchaser or grantee.

In the event of any loss or damage, Mortgagor will give immediate notice thereof to Mortgagee, and Mortgagee may thereupon make proof of such loss or damage, if the same is not promptly made by Mortgagor. All proceeds of insurance in the event of such loss or damage shall be payable to Mortgagee, and any affected insurance company is authorized and directed to make payment directly to Mortgagee. Mortgagee is authorized and empowered to settle, adjust, or compromise any claims for loss, damage, or destruction under any policy or policies of insurance. All such insurance proceeds may, at the sole discretion of Mortgagee, be applied to the restoration, repair, replacement, or rebuilding of the Mortgaged Property, or to and in reduction of any indebtedness secured by this Mortgage. The Mortgagee is hereby irrevocably appointed by the Mortgagor as attorney of the Mortgagor to assign any policy in the event of the foreclosure of this Mortgage or other extinguishment of the indebtedness secured hereby, and Mortgagor shall have no right to reimbursement for premiums unearned at the time of any such assignment.

7. Mortgagor will not commit or suffer any strip or waste of the Mortgaged Property or any violation of any law, regulation or ordinance affecting the Mortgaged Property and will not commit or suffer any demolition, removal or material alteration of any of the buildings or improvements (including fixtures) on the Mortgaged Property without the written consent of the Mortgagee, and will not violate nor suffer the violation of the covenants and agreements, if any, of record against the Mortgaged Property.
8. Mortgagor will pay when due all charges for water, water delivery, gas, electric power and light, sewers, waste removal, any and all rents and amounts payable under any ground lease or senior or junior trust deed, mortgage or other encumbrance on or of the Mortgaged Property, bills for repairs, any grazing lease or permit fees or rentals, and all other claims, encumbrances and expenses incident to the ownership and occupancy of the Mortgaged Property. Mortgagor will further pay and discharge when due, and on request furnish Mortgagee with suitable evidence of payment of, all taxes, assessments and other governmental charges on the Mortgaged Property, as well as claims for labor and material and any claim capable of supporting a lien or charge on the Mortgaged Property; provided, however, that any such taxes, assessments, charges, or claims need not be paid so long as Mortgagor is in good faith contesting such payment by appropriate proceedings which avoid foreclosure of any lien securing said claim, and that sufficient funds or an acceptable bond ensuring the prompt disposition of said claim are deposited with Mortgagee. Additionally and in the event Mortgagor fails to so satisfy any such claim, Mortgagee may, after notice, pay the same directly, and thereafter, at its option, demand of the Mortgagor immediate reimbursement for any expense so paid.
9. If Mortgagor shall neglect or refuse to keep in good repair the property referred to in paragraph (5), to replace the same as herein agreed, to maintain and pay the premiums for insurance which may be required under paragraph (6) or to pay and discharge all taxes, assessments and charges of every nature and to whomever assessed, as provided for in paragraph (8), the Mortgagee may, at its election, cause such repairs or replacements to be made, obtain such insurance or pay said taxes, assessments and charges and any amounts paid as a result thereof together with interest thereon at the interest rate as evidenced in the Note from the date of payment, shall be immediately due and payable by the Mortgagor to the Mortgagee, and until paid shall be added to and become a part of said principal debt secured hereby, and the same may be collected as a part of said principal debt in any suit hereon or upon the Note; or the Mortgagee, by the payment of any tax, assessment or charge, may, if it sees fit, be thereby subrogated to the rights of the State, County, Village and all political or governmental subdivisions. No such advances shall be deemed to relieve the Mortgagor from any default hereunder or impair any rights or remedy consequent thereon, and the exercise of the rights to make advances granted in this paragraph shall be optional with the Mortgagee and not obligatory and the Mortgagee shall not in any case be liable to the Mortgagor for a failure to exercise any such right.
10. Mortgagor will pay all sums, the failure to pay which may result in the acquisition of a lien prior to the lien of this Mortgage, before such a prior lien may attach or which may result in conferring upon a tenant of any part of the Mortgaged Property a right to recover such sums as prepaid rent.
11. Mortgagee shall be subrogated for further security to the lien, although released of record, of any and all encumbrances paid out of the proceeds of the loan secured by this Mortgage, and any modifications or other security securing said Mortgage.

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12. After default or breach, if any sale proceeding or lawsuit is commenced, or any attorney retained to collect any amounts secured hereby or to enforce any rights granted Mortgagee hereunder, Mortgagor will pay Mortgagee's reasonable attorneys' fees and costs incurred as a result of its enforcing its rights under the Note and the agreements which secure its repayment, and its costs and expenses in connection with any sale proceedings or lawsuit. In addition, Mortgagor will pay a reasonable fee for title searches made in preparation for and in the conduct of any such proceedings or suit. All of the foregoing fees and expenses shall be secured by this Mortgage.
13. That, if any action or proceeding be commenced (excepting an action to foreclose this Mortgage or to collect the debt hereby secured or to enforce any other agreement related to the debt hereby secured), to which action or proceeding the Mortgagee is made a party by reason of the execution of this Mortgage or the Note which it secures, or any other document or agreement related to the debt hereby secured, or in which the Mortgagee deems it necessary to defend in order to uphold the lien of this Mortgage or the priority thereof or possession of the Mortgaged Premises, or otherwise to protect its security hereunder, or any other document or agreement related to the debt hereby secured, all sums paid or incurred by the Mortgagee for counsel fees and other expenses in such action or proceeding shall be repaid by Mortgagor, together with interest thereon from date of payment by Mortgagee at the interest rate as evidenced in the Note, and all such sums and the interest thereon shall be immediately due and payable and be secured hereby, having the benefit of the lien hereby created and of its priority.
14. Mortgagor will furnish Mortgagee with such information concerning the financial condition of the Mortgaged Property as Mortgagee may request from time to time. During normal business hours, Mortgagor will allow representatives of Mortgagee free access to the Mortgaged Property and to inspect all books, records and contracts relating thereto.
15. Immediately upon obtaining knowledge of the institution of any proceedings for the condemnation or taking by eminent domain of the Mortgaged Property or any portion thereof, or any other proceedings arising out of injury or damage to the property, or any portion thereof, Mortgagor will notify Mortgagee of the pendency of such proceedings. Mortgagee may participate in any such proceedings and Mortgagor shall from time to time deliver to the Mortgagee all instruments requested by it to permit such participation. Mortgagor shall, at its expense, diligently prosecute any such proceedings, and shall consult with Mortgagee, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings. If all or any part of the Mortgaged Property is damaged, condemned, taken, or acquired, either temporarily or permanently, in any condemnation proceeding, or by exercise of the right of eminent domain, or by the alteration of the grade of any street affecting said Mortgaged Property, the amount of any award or other payment for such taking or damages to the extent of the full amount of the then remaining unpaid indebtedness is hereby assigned to Mortgagee, and Mortgagee is empowered to collect and receive the same. Any award or payment so received may be, at Mortgagee's discretion, wholly or partially retained and applied to the indebtedness secured by this Mortgage, whether or not then due and payable; or wholly or partially released to Mortgagor for the purpose of altering, restoring, or rebuilding any part of the Mortgaged Property altered, damaged, or destroyed as the result of such taking, alteration, condemnation, or proceeding; provided however, that Mortgagee is not obligated to see to the application of any amounts so released.
16. In order to more fully protect the security of Mortgagee's loan to Mortgagor and upon request by Mortgagee, but only at such time as Mortgagor has failed to comply with the provisions of this Mortgage or the Loan Agreement, Mortgagor shall pay to Mortgagee monthly, in addition to each monthly payment required by the Note, a sum equivalent to one-twelfth (1/12) of the amount estimated by Mortgagee as sufficient to allow Mortgagee to pay, thirty (30) days prior to the time they become due, all taxes, assessments and other similar charges levied against the Mortgaged Property, and all insurance premiums on any policy of insurance required by this Mortgage. Mortgagee is not required to pay interest on such sums. On demand by Mortgagee, Mortgagor shall deliver and pay to Mortgagee any additional sums which are required to satisfy any deficiency in the amount necessary to enable Mortgagee to pay said items, and shall further adjust the amount of sums withheld accordingly. All amounts paid and deposited hereunder are hereby assigned to Mortgagee as additional security for the indebtedness and obligations secured hereby.
17. Mortgagor shall assign to the Mortgagee, upon request, as further security for the indebtedness secured hereby, the lessor's interests in any or all leases, and the Mortgagor's interests in all agreements, contracts, licenses and permits affecting the property subject to this Mortgage, such assignments to be made by instruments in form satisfactory to the Mortgagee; but no such assignment shall be construed as a consent by the Mortgagee to any lease agreement, contract, license or permit so assigned, or to impose upon the Mortgagee any obligations with respect thereto. Mortgagor will faithfully keep and perform all of the

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obligations of the landlord under all of the leases now or hereafter assigned to Mortgagee hereunder or under any other assignment between the parties and not permit to accrue to any tenant under any such lease any right to prepaid rent pursuant to the terms of any lease other than the usual prepayment of rent as would result from the acceptance on the first day of each month of the rent for the ensuing month, according to the terms of the various leases.

18. All notices required under the terms of this Mortgage are sufficient either (i) three (3) days after their deposit in the United States mail postage prepaid, or (ii) two (2) days after their deposit in a nationally recognized overnight courier service, or (iii) on the day of their personal delivery, if addressed or delivered to Mortgagee or Mortgagor at their following respective addresses, or such other address as is specified in writing by any party to the others, provided that no change of address by Mortgagor shall be effective unless Mortgagor first serves notice of such change of address to Mortgagee in writing by certified mail with return receipt requested, retaining a copy of such return receipt in its files. In any event, Mortgagor shall exercise reasonable diligence to ensure that Mortgagee is at all times advised of the correct address of each, and any changes thereto, stipulated as the following as of the date of this Mortgage:

- A. To Mortgagee: **ITF COMMERCIAL FINANCE CORP.**
1400 North Central Life Tower
P.O. Box 64777
St. Paul, Minnesota 55164
(612/227-0011)
Attn: Manager of Loan Administration
Real Estate Finance Division
- B. To Mortgagor: **CHICAGO TITLE AND TRUST COMPANY**
111 West Washington
Chicago, Illinois _____
(_____)

19. Mortgagor will operate such property at all times as a self storage facility and will not acquire any fixtures, equipment, furnishings or apparatus covered by this Mortgage subject to any security interest or other charge or lien taking precedence over this Mortgage.
20. In the event the ownership of the Mortgaged Property, or any part thereof, becomes vested in a person other than the Mortgagor, the Mortgagee may deal with such successor or successors in interest with reference to this Mortgage and the debt hereby secured in the same manner as with the Mortgagor, without in any manner violating or discharging the Mortgagor's liability hereunder, or upon the debt hereby secured. This paragraph shall not be construed as permission for any such transfer.
21. Except as otherwise provided in the Loan Agreement, Mortgagor agrees that Mortgagor will not sell, transfer, encumber, assign, convey, lease or in any manner dispose of the Mortgaged Property, or any part thereof, or turn over the management or operation of any business on the Mortgaged Property to any other person, firm or corporation without the prior written consent of Mortgagee. Mortgagor shall give Mortgagee prior written notice of any proposed transaction which requires Mortgagee's consent, and Mortgagor shall furnish to Mortgagee such information as Mortgagee may reasonably require.
22. In the event of the imposition after the date of this Mortgage of any law of the United States of America, the State of Illinois, or any municipality, or of any government, domestic or foreign, claiming to have jurisdiction hereof, deducting from the value of real property for the purposes of taxation any lien thereon or changing in any way the taxation of mortgages, deeds of trust or of debts secured by mortgages or deeds of trust or the manner of the collection of any such taxes, and imposing a tax, either directly or indirectly on this Mortgage or the Note, the sums evidenced or secured thereby or the interest payable thereon, Mortgagee shall have the right at any time thereafter, upon not less than twenty (20) days' written notice to Mortgagor to declare the principal sum and interest due in full. If such notice be given, the Note shall become due, payable and collectible at the expiration of such twenty (20) day period or any later date specified therein.
23. Any one of the following events constitutes an Event of Default under this Mortgage:
- A. Mortgagor fails to pay to Mortgagee, when due and in good funds, any payment of principal, interest, fees or expenses required by this Mortgage, the Note, the Loan Agreement or any other loan document executed in conjunction with this Mortgage, and such payment is not tendered to Mortgagee by Mortgagor within five (5) days following its due date.

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- B. Mortgagor fails to perform or observe any agreement, covenant or condition required of the Mortgagor under this Mortgage or the Loan Agreement, and such failure is not corrected to Mortgagee's satisfaction within twenty (20) days of written notice to Mortgagor.
 - C. Any representation or warranty made by the Mortgagor in this Mortgage, or in any certificate or document furnished under the terms of, or in conjunction with, this Mortgage is or becomes untrue in any material respect.
 - D. In the event that: (i) Mortgagor or any guarantor hereof, or any one of them if Mortgagor or guarantor is two or more individuals, applies for or permits the appointment of a receiver, trustee or liquidator of all or a substantial part of that Mortgagor's or guarantor's assets, or (ii) Mortgagor or guarantor is adjudicated a bankrupt or insolvent, or files a voluntary petition in a bankruptcy, reorganization or insolvency proceeding, or a petition to institute a debtor's proceeding or case, or (iii) Mortgagor or guarantor admits in writing his inability to pay his debts as they become due, or generally does not pay his debts as they become due, or (iv) Mortgagor or guarantor makes a general assignment for the benefit of creditors, or (v) Mortgagor or guarantor files a petition or answer seeking reorganization or arrangement with creditors, or to take advantage of any insolvency law, or (vi) Mortgagor or guarantor files an answer admitting the material allegations of a petition filed against Mortgagor or guarantor in any bankruptcy, reorganization or insolvency proceedings, or (vii) Mortgagor or guarantor fails, for a period exceeding thirty (30) days, to obtain the dismissal of any involuntary case filed against Mortgagor or guarantor in any bankruptcy, reorganization or insolvency proceedings, or (viii) action is taken by Mortgagor or guarantor for the purpose of effecting any of the foregoing.
 - E. Without the prior written consent of Mortgagee having been first obtained, the Mortgaged Property or the beneficial interest in the Land Trust or any part thereof or interest therein is sold, assigned, exchanged, transferred, conveyed, alienated, subject to a contract of sale or leased or demised in a manner not permitted by the Loan Agreement.
 - F. Mortgagor is or is about to become divested of its interest in the Mortgaged Property, or any part thereof or interest therein, whether voluntarily or involuntarily.
 - G. The Mortgaged Property is managed by any person or entity other than the holder of the Beneficial Interest in Mortgagor or a person or entity reasonably acceptable to Mortgagee.
 - H. Mortgagor commits waste or allows the Mortgaged Property to deteriorate.
 - I. Any attempted assignment of the Mortgagor's rights under this Mortgage, notwithstanding the fact that such assignment is null and void and without effect under this Mortgage.
 - J. An Event of Default exists under the Loan Agreement or any other document evidencing or securing the debt secured hereby.
24. Upon the occurrence of an Event of Default, the following provisions shall apply:
- A. All sums secured hereby shall, at the option of Mortgagee, become immediately due and payable without notice, with interest thereon, from the date of the first of any such defaults, at the interest rate as evidenced in the Note;
 - B. Mortgagee may immediately foreclose this Mortgage. The court in which any proceeding is pending for that purpose may, at once or at any time hereafter, either before or after sale, without notice and without requiring bond, and without regard to the solvency or insolvency of any person liable for payment of the indebtedness secured hereby, and without regard to the then value of the Mortgaged Property, or the occupancy thereof as a homestead, appoint a receiver or appoint Mortgagee as a Mortgagee in possession (the provisions for the appointment of a receiver, or Mortgagee as a mortgagee in possession, and assignment of rents being an express condition upon which the loan hereby secured is made) for the benefit of Mortgagee, with power to collect the rents, issues and profits of the premises, due and to become due, during such foreclosure suit and the full statutory period of redemption, if any, notwithstanding any redemption. The receiver or mortgagee in possession, out of such rents, issues and profits when collected, may pay costs incurred in the management and operation of the premises, prior and subordinate liens, if any, and taxes, assessments, water and other utility charges and insurance, then due or thereafter accruing, and make and pay for any necessary repairs to the premises, and may pay all or any part of the indebtedness secured hereby or any deficiency decree entered in such foreclosure proceedings. The

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provision herein for the appointment or continuation of the appointment of a receiver or mortgagee in possession during a period of redemption shall not be construed as affecting any waiver of the right of redemption contained in this Mortgage;

- C. Mortgagee shall, at its option, have the right, acting through its agent or attorneys, with process of law, forcibly or otherwise, to enter upon and take possession of the Mortgaged Property, expel and remove any persons, goods or chattels, occupying or upon the same, and to collect or receive all the rents including all those paid by Mortgagor as provided for below, issues and profits thereof, and to manage, control and operate the same, including the right of making all repairs and replacements deemed necessary by Mortgagee, and to lease the same or any part thereof from time to time, and after deducting all reasonable attorney's fees, and all costs and expenses incurred in the protection, care, maintenance, management and operation of the premises, apply the remaining net income, if any, to the indebtedness secured hereby or upon any deficiency decree entered in any foreclosure proceedings. At the option of Mortgagee, such entry and taking of possession shall be accomplished either by actual entry and possession or by written notice served personally upon or sent by registered mail to Mortgagor at the address of Mortgagor last appearing on the records of Mortgagee. Mortgagor agrees to surrender possession of the Mortgaged Property to Mortgagee immediately upon the occurrence of an Event of Default when requested by Mortgagee. If Mortgagor shall remain in physical possession of the Mortgaged Property, or any part thereof, after any such default, such possession shall be as a tenant at sufferance of Mortgagee, and Mortgagor agrees to pay to Mortgagee, or to any receiver appointed as provided below, after such default, a reasonable monthly rental for the Mortgaged Property, or the part thereof so occupied by Mortgagor, to be applied as provided above in the first sentence of this subsection, and to be paid in advance on the first day of each calendar month. And, in default of so doing, Mortgagor may be dispossessed by the usual summary proceedings. In the event Mortgagor shall so remain in possession of all, or any part of, the Mortgaged Property, said reasonable monthly rental shall be in amounts established by Mortgagee in its sole discretion. This covenant shall be effective irrespective of whether any foreclosure of any application for, or appointment of, a receiver; and
- D. Mortgagee may exercise any other remedies or rights permitted or provided under or by the laws or decisions of the State of Illinois (including all rights of a secured party under the Illinois Uniform Commercial Code), accruing to a mortgagee and/or secured party upon a default by a mortgagor and/or debtor, or otherwise available at equity or under the Loan Documents.
25. Upon any sale or sales made under or by virtue of paragraph (24), whether made under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Mortgagee may bid for and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the indebtedness or other sums secured by this Mortgage the net sales price after deducting therefrom the expenses of sale and the costs of the action and other sums which Mortgagee is authorized to deduct under this Mortgage, and, in such event, this Mortgage, the Note and the documents evidencing expenditures secured hereby shall be presented to the person or persons conducting the sale in order that the amount so used or applied may be credited upon said indebtedness as having been paid.
26. Mortgagee, but without obligation so to do and without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereof, may: make or do any payment or act which Mortgagor has failed to make or do hereunder, and to such extent as either may deem necessary to protect the security hereof, Mortgagee being authorized to enter upon the Mortgaged Property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee; pay, purchase, contest or comprise any encumbrance charge and lien which in the judgment of Mortgagee either appears to be prior or superior hereto; and in exercising any such powers, pay necessary expenses, employ counsel and pay his fee. All such sums and expenses so expended by Mortgagee shall be secured by this Mortgage and shall be immediately due and payable without demand or notice, with interest from the date of expenditure at the rate set forth in the Note.
27. In any foreclosure of this Mortgage there shall be allowed and included in the decree for sale, to be paid out of the rents or the proceeds of such sale:
- A. All principal and interest remaining unpaid and secured hereby;
- B. All other items advanced or paid by Mortgagee pursuant to this Mortgage, with interest at the interest rate as evidenced in the Note from the date of advancement; and
- C. All court costs, fees of the master in chancery, attorney's fees, appraiser's fees, expenditures for documentary and expert evidence, stenographer's charges, publication

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costs, and costs (which may be estimated as to items to be expended after entry of decree) of procuring all abstracts of title, title searches and examinations, title guarantee policies, Torrens certificates and similar data with respect to title which Mortgagee may deem necessary. All such expenses shall become so much additional indebtedness secured hereby and immediately due and payable with interest at the interest rate as evidenced in the Note, when paid or incurred by Mortgagee in connection with any proceedings, including probate and bankruptcy proceedings, to which Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness hereby secured or in connection with preparation for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose, whether or not actually commenced. The proceeds of any foreclosure sale shall be distributed and applied to the items described in (A), (B), and (C) of this section, inversely to the order of their listing, and any surplus of the proceeds of such sale shall be paid to Mortgagor.

28. A. To the extent permitted by statute, Mortgagor does hereby expressly waive any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of themselves and each and every person it may legally bind now having or acquiring any interest in or title to the premises after the date of the execution of this Mortgage; and Mortgagor, for itself, its successors and assigns, and for all that it may legally bind who acquire any interest in or title to the Mortgaged Property subsequent to the date hereof, agrees that when sale is had under any decree of foreclosure of this Mortgage upon confirmation of such sale, the master in chancery, the sheriff, or other officer making such sale, or his successor in office, shall be and is authorized immediately to execute and deliver to the purchaser at such sale, a deed conveying the premises, showing the amount paid therefor, or if purchased by the person in whose favor the order or decree is entered, the amount of his bid therefor.
- B. Mortgagor, on behalf of itself, its successors and assigns, and each and every person it may legally bind acquiring any interest in or title to the Mortgaged Property on or subsequent to the date of this Mortgage: (i) does hereby expressly waive any and all rights of appraisal, valuation, stay, extension and (to the extent permitted by law) redemption from sale under any order or decree of foreclosure of this Mortgage; (ii) does hereby waive any equitable, statutory or other right available to it, in respect to marshalling of assets hereunder, so as to require the separate sales of interests in the Mortgaged Property before proceeding against any other interest in the Mortgaged Property; (iii) does hereby expressly consent to and authorize, at the option of Mortgagee, the sale either separately or together, of any and all interests in the Mortgaged Property; and (iv) does hereby agree that in no event shall Mortgagee be required to allocate any proceeds received by Mortgagee from foreclosure sale or otherwise, to all or any interest in the Mortgaged Property.
29. No remedy or right of Mortgagee shall be exclusive of but shall be in addition to every other remedy or right now or hereafter existing at law or in equity. 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.
30. Mortgagor will, on request of the Mortgagee, (i) promptly correct any defect, error or omission which may be discovered in the contents of this Mortgage or in any other instrument executed in connection herewith or in the execution or acknowledgment thereof; (ii) execute, acknowledge, deliver and record and/or file such further instruments (including without limitation further deeds of trust, security agreements, financing statements, continuation statements and assignments of rents or leases) and do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of this Mortgage and such other instruments and to subject to the lien and security interest hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby including specifically, but without limitation, any renewals, additions, substitutions, replacements or appurtenances to said property; and (iii) execute, acknowledge, deliver, procure, and file and/or record any document or instrument (including specifically any financing statement) deemed advisable by the Mortgagee to protect the lien of the security interest hereunder against the rights or interests of third persons, and Mortgagor will pay all costs connected with any of the foregoing.
31. The term "Mortgagee" shall mean the owner and holder at any time, including pledgees, of the Note, whether or not named as Mortgagee herein. The use of the term "Mortgagor" herein shall not be construed to limit or to otherwise preclude the application of the term "Mortgagor" to the person or persons named herein. The obligations of all persons named as Mortgagor herein shall be joint and several. The provisions hereof shall apply to the parties according to the context thereof, and without regard to the number or gender of words or expressions used.

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32. Notwithstanding any provision herein or in said Note, the total liability for payments in the nature of interest shall not exceed the limits now imposed by the usury laws of the State of Illinois.
33. On transfer or encumbrance of (a) all or any part of the property, or any interest therein, or (b) beneficial interests or ownership interest in Mortgagor (if Mortgagor is not a natural person or persons but is a corporation, partnership, trust or other legal entity), or transfer of control of the operation and management of the property to any person other than Mortgagor then, Mortgagee may, at Mortgagee's option, declare all of the indebtedness secured by this Mortgage to be immediately due and payable and invoke any remedies permitted by this Mortgage or the Loan Agreement, all without prior notice to Mortgagor. This option shall not apply in case of (a) transfers by devise or descent or by operation of law upon the death of a joint tenant; (b) transfers by reason of the replacement of fixtures, equipment, machinery and appliances; and (c) transfers or encumbrances previously approved in writing by Mortgagee in its sole discretion.
34. That Mortgagor will comply with the requirements of all Federal, State and Local pollution laws and regulations applicable or pertaining to the operation of the Mortgaged Property.
35. Mortgagor represents and agrees that the proceeds of the Note will be used for the purposes specified in Section 4(1)(c) of Paragraph 6404 of Chapter 17 of the Illinois Revised Statutes, as amended, and that the debt secured hereby constitutes a business loan which comes within the purview of said paragraph.
36. 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. The Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure, pursuant to rights herein granted, on behalf of the Mortgagor, the trust estate and all persons beneficially interested therein, and each and every person acquiring any interest in, or title to, the premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by the provisions of the Illinois Revised Statutes.
37. This Mortgage is executed by Mortgagor, not personally but as Trustee of the Land Trust as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and Mortgagor 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 the Loan Agreement or the Note contained shall be construed as creating any liability on Mortgagor personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder or thereunder, or to perform any covenant either express or implied or herein or therein contained, all such liability, if any, being expressly waived by the Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as the Mortgagee personally is concerned, the Mortgagor shall look to the co-maker of the Note, to the Mortgaged Property for the payment of the Note, by the enforcement of the lien created hereby in the manner herein provided or to any other security given at any time to secure the Note or any indebtedness accruing under the Loan Agreement, including the personal liability of any Guarantor.

WITNESS the due execution hereof by the Mortgagor the 9th day of August, 1988.

CHICAGO TITLE AND TRUST COMPANY,
not personally, but solely as Trustee under
Trust Agreement dated March 23 and Known
as Trust No. 1090610

ATTEST:

By: Marilyn P. Mallon
ASST.
Its: Secretary

By: Alan P. Koufman
ASST. VICE PRESIDENT
Its: _____

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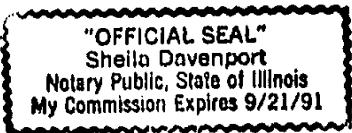
STATE OF ILLINOIS, }
COUNTY OF COOK } SS.

8 3 3 5 9 5 0 3

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY, that the above named Assistant Vice President and Assistant Secretary of the CHICAGO TITLE AND TRUST COMPANY, Grantor, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Vice 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 Company for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that said Assistant Secretary, as custodian of the corporate seal of said Company, caused the corporate seal of said Company to be affixed to said instrument as said Assistant Secretary's own free and voluntary act and as the free and voluntary act of said Company for the uses and purposes therein set forth.

Given under my hand and Notarial Seal

Date AUG 09 1988



Sheila Davenport
Notary Public

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EXHIBIT 3 3 9 5 0 3

PARCEL 1:

LOT 2 AND PART OF LOTS 3 AND 4 IN THE WEST GRAND AVENUE INDUSTRIAL DISTRICT, BEING OWNERS' DIVISION OF PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTH EAST 1/4 OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTH EAST CORNER OF SAID LOT 4; THENCE SOUTH 00 DEGREES 00 MINUTES 35 SECONDS EAST ALONG THE EAST LINE OF SAID LOT 4 A DISTANCE OF 366.82 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 56 SECONDS WEST, A DISTANCE OF 620.49 FEET; THENCE NORTH 08 DEGREES 00 MINUTES 24 SECONDS WEST, A DISTANCE OF 10.86 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 24 SECONDS WEST ALONG THE WEST LINE OF SAID LOT 3 AND ALONG THE WEST LINE OF SAID LOT 2, A DISTANCE OF 364.20 FEET TO THE NORTH WEST CORNER OF SAID LOT 2; THENCE SOUTH 89 DEGREES 15 MINUTES 09 SECONDS EAST ALONG THE NORTH LINE OF SAID LOTS 2, 3 AND 4, A DISTANCE OF 622.03 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

EASEMENT FOR INGRESS AND EGRESS TO AND FROM NACHEZ AVENUE, AS CREATED BY DECLARATION OF EASEMENTS MADE BY CENTRAL NATIONAL BANK IN CHICAGO, A NATIONAL BANKING ASSOCIATION AS TRUSTEE UNDER TRUST AGREEMENT DATED DECEMBER 30, 1977 AND RECORDED NOVEMBER 13, 1978 AS DOCUMENT 24714685 AND AS CREATED BY DEED FROM CENTRAL NATIONAL BANK IN CHICAGO, A NATIONAL BANKING ASSOCIATION AS TRUSTEE UNDER TRUST AGREEMENT DATED DECEMBER 30, 1977 KNOWN AS TRUST NUMBER 22942 TO HARRY O. RHDGE DATED OCTOBER 30, 1978 AND RECORDED NOVEMBER 13, 1978 AS DOCUMENT 24714686, OVER AND ACROSS THE FOLLOWING DESCRIBED LAND: PART OF LOTS 3 AND 4 IN THE WEST GRAND AVENUE INDUSTRIAL DISTRICT, BEING OWNERS' DIVISION OF PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTH EAST 1/4 OF SECTION 31 TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE EAST LINE OF SAID LOT 4, 366.82 FEET SOUTH OF THE NORTH EAST CORNER OF SAID LOT 4, AS MEASURED ALONG SAID EAST LINE; THENCE SOUTH 00 DEGREES 00 MINUTES 35 SECONDS EAST ALONG SAID EAST LINE A DISTANCE OF 37.00 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 56 SECONDS WEST, A DISTANCE OF 615.30 FEET TO A POINT IN THE WEST LINE OF SAID LOT 3; THENCE NORTH 08 DEGREES 00 MINUTES 24 SECONDS WEST ALONG THE WEST LINE OF SAID LOT 3, A DISTANCE OF 37.36 FEET; THENCE NORTH 89 DEGREES 55 MINUTES 56 SECONDS EAST, A DISTANCE OF 620.49 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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MORTGAGE NOTE

\$3,465,000.00

9th day of August, 1988

FOR VALUE RECEIVED, the undersigned, Extra Space Development, Inc., an Illinois corporation with offices at 3060 Ogden Avenue, Suite 305, Lisle, Illinois 60532 and Chicago Title and Trust Company not personally, but solely as Trustee under Trust Agreement dated March 23, 1988, and known as Trust No. 1090610 (Jointly as "Maker"), promises to pay to the order of ITT COMMERCIAL FINANCE CORP., a Nevada corporation (together with its successors and assigns, the "Holder"), at its offices at 1400 North Central Life Tower, P.O. Box 64777, St. Paul, Minnesota 55164, or at such other place as the Holder of this Mortgage Note (this "Note") may require, the principal sum of Three Million Four Hundred Sixty-Five Thousand Dollars (\$3,465,000.00) or such greater or lesser sum as may be actually owing, with interest on the unpaid principal balance from the date of advance at the Note Rate as hereinafter described, in effect from time to time during the term of this Note, payable in successive monthly installments initially equal to the interest accruing in arrears on the principal balance outstanding from time to time, which installments will commence on the tenth (10th) day of the first month following the first advance of principal hereunder and will continue on the tenth (10th) day of each succeeding month during the period which commences on the date of execution of this Note and ends on the earlier of the twenty-third (23rd) day of June, 1989, or the last day of the month in which occurs the completion of construction of the improvements which are the subject matter of the Loan Documents hereinafter described (the "Construction Loan Term") and thereafter, during the remainder of the term of this Note (the "Conventional Loan Term"), payable in fixed monthly installments equal to the sum certain which results when the computation method described in the third paragraph of this Note is applied to the principal balance outstanding from time to time, which installments will commence on the tenth (10th) day of the first month following said completion of construction, but in any event not later than the tenth (10th) day of July, 1989, and continuing on the tenth (10th) day of each and every month thereafter, until the tenth (10th) day of September, 1994, the date of maturity of this Note, when the entire unpaid principal balance and accrued interest will be due and payable in full. Except as provided in the third paragraph below, payments when made will be applied first to accrued interest to date and the remainder to principal.

The interest (termed "Note Rate") charged on the unpaid principal balance of this Note is a variable simple interest rate equal to the sum of (a) a rate which during the Construction Loan Term is two percent (2.0%) per annum and during the Conventional Loan Term is two and one-quarter percent (2.25%) per annum (either of which, when applicable, is referred to hereinafter as the "Fixed Rate") plus (b) an interest rate per annum (the "Floating Rate") defined as the greater of (i) the highest rate of interest established and publicly announced from time to time by either Citibank, N.A., Chase Manhattan Bank, N.A., Chemical Bank New York, Manufacturers Hanover Trust Company or Morgan Guaranty Trust Company of New York as its prime rate, base rate, reference rate or a successor rate which is the equivalent thereof (the "Prime Rate") or (ii) the average weekly rate on a discount basis for six (6) month commercial paper as most recently quoted in the Federal Reserve Statistical Release, Selected Interest Rates, (Form H.15) or a successor index publishing an equivalent rate. In the event that either of the foregoing Floating Rate indices is no longer quoted or otherwise becomes unavailable, then the Holder and the Maker shall agree upon another comparable method of computation of rate of interest. If said parties cannot so agree upon another method of computation of interest, then on demand by the Holder, the outstanding principal balance then owing will become immediately due and payable, together with interest at the last prevailing Note Rate. In the event the Floating Rate, as determined herein, nine and one-half percent (9.5%) as of the date of this Note, increases or decreases, the Note Rate provided herein or as previously adjusted will be equivalently increased or decreased on the same day by an amount equal to the increase or decrease of said Floating Rate. Notwithstanding anything to the contrary contained herein (except for the provisions hereinafter contained which limit the rate and manner of payment hereunder to the maximum provided by applicable law), the rate payable hereunder will never be less than a rate of ten percent (10.0%) simple interest per annum. Upon maturity of this Note, whether by acceleration or otherwise, the unpaid principal balance of this Note shall bear interest at the greater of the Note Rate or eighteen percent (18%) per annum, but in any event not in excess of the maximum rate permitted by law.

The monthly installments payable during the Conventional Loan Term, as stated above, will be in the amount of a sum certain calculated to pay interest only monthly and in arrears on the principal balance remaining unpaid (e.g., if the outstanding principal balance under the Note is Three Million Dollars (\$3,000,000.00), the monthly installment for said month would be Twenty-Five Thousand Dollars (\$25,000.00) at an assumed rate of ten percent (10.0%). If any of said monthly installments is insufficient to pay the interest actually due for a given month, pursuant to the Note Rate as stated above, and the Maker at its continuing option does not elect to pay the whole or any part of the difference between said monthly installment and the interest actually due, then each month the unpaid difference, up to but not exceeding the maximum sum in any given year of five percent (5.0%) of the then outstanding principal balance, but in no

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event exceeding One Hundred Fifty-Seven Thousand Five Hundred Dollars (\$157,500.00), will be added to the principal balance and interest will accrue thereon at the Note Rate. At least yearly on anniversaries of the Note, if not before, Maker shall make an additional payment of the entire amount so added to the principal balance during the preceding year, with interest thereon, so that the same is paid in full. Such payment shall be due within ten (10) days of receipt of notice requiring such payment unless Maker, at its option, shall elect to defer an amount not to exceed One Hundred Fifty Seven Thousand Five Hundred Dollars (\$157,500.00) to the maturity of this Note and interest will accrue at the Note Rate on any such amount deferred to maturity. Subsequent to any deferral to maturity elected by Maker, the maximum sum Maker may add to the principal balance during any year shall be reduced by an amount equal to the cumulative total of deferrals during preceding years and shall be so applied.

This Note is secured by a Mortgage and Security Agreement, a Construction Loan and Security Agreement, an Assignment of Leases, Rents, Profits, and Contracts and such other security or supporting documents as are executed in conjunction with it (the "Loan Documents"), of even date herewith between the Maker and the Holder on real property located in Cook County, Illinois (the "Project"). The Holder is entitled to all the benefits provided for in the Loan Documents or referred to within them, to which Loan Documents reference is made for a statement of the terms and conditions under which the due date of this Note may be accelerated.

This Note evidences borrowings in the principal amount of Three Million Four Hundred Sixty-Five Thousand Dollars (\$3,465,000.00), but notwithstanding such expression, the actual indebtedness from time to time evidenced hereby shall be the sum of all advances made by Holder to Maker hereunder, less the aggregate amount of all principal repayments made by Maker to Holder (all in accordance with and limited by the terms of the Loan Documents as the same may be modified in writing from time to time), so that the principal amount outstanding under this Note may fluctuate in accordance with such advances and repayments, but the aggregate principal amount outstanding under this Note shall not at any time exceed the principal sum of Three Million Four Hundred Sixty-Five Thousand Dollars (\$3,465,000.00). In the event state documentary stamp taxes in excess of those required to be paid on the full amount of Three Million Four Hundred Sixty-Five Thousand Dollars (\$3,465,000.00) are deemed to be owed to the State of Illinois, Maker agrees to pay immediately upon demand by Holder any and all of the costs involved in paying such additional taxes and any penalties or interest required to be paid therewith.

This Note may not be prepaid during the Construction Loan Term, but thereafter may be prepaid in whole or in part at any time upon five (5) days prior written notice; provided that with such prepayment there is tendered to the Holder a prepayment charge on the then outstanding principal balance equal to (i) three percent (3.0%) if such prepayment is made during the first (1st) year of the Conventional Loan Term, (ii) two percent (2.0%) if such prepayment is made during the second (2nd) year of the Conventional Loan Term, (iii) one and one-quarter percent (1.25%) if such prepayment is made during the third (3rd) year of the Conventional Loan Term, and (iv) one-half percent (.5%) if such prepayment is made during the first six (6) months of the fourth (4th) year of the Conventional Loan Term; thereafter, the Maker may prepay amounts owed to the Holder in whole or in part at any time without charge. Maker shall, to the extent allowed by applicable law, pay prepayment charges provided for herein upon (i) any voluntary prepayment, or (ii) any involuntary prepayment resulting from the occurrence of an Event of Default by the Maker and acceleration by the Holder of the maturity date of this Note. The Holder shall apply all monies received as prepayment of the indebtedness as follows: (i) to the payment of delinquency or late charges, if any; (ii) to the payment of any prepayment charge due; (iii) to the payment of accrued and unpaid interest; (iv) to the reduction of the principal balance outstanding. The Maker acknowledges that the prepayment charges provided for herein are for the purpose of compensating Holder for the loss of interest which would otherwise have been earned and for Holder's costs and expenses in relending the amount prepaid.

Failure by the Maker to pay any sum due to the Holder within five (5) days of the date on which the same becomes due under this Note, or an Event of Default under any of the Loan Documents, constitutes an Event of Default under this Note and the Holder may, at its option, declare the entire unpaid principal balance (including all additions of interest thereto), together with all accrued and unpaid interest, all delinquency or late charges, and any applicable prepayment charge, immediately due and payable and may proceed to exercise any rights or remedies that it may have under this Note or any of the Loan Documents. If this Note is placed in the hands of an attorney for collection or enforcement of any of the rights or requirements contained herein or in the Loan Documents, or if any suit or judicial proceeding is initiated or prosecuted in any court, then the Maker shall pay, in addition to all other amounts owing hereunder, all court costs, expenses and reasonable attorneys' fees incurred by the Holder.

Time is of the essence of this obligation; if any payment is in arrears for more than five (5) days after the due date, the Maker shall pay a delinquency and collection charge of Zero and 05/100 Dollars (\$.05) per dollar on, and in addition to, the amount of said payment, but in any event not exceeding the maximum lawful charges. The Makers and Endorsors hereby severally waive presentment, demand, protest, notice of protest, notice of dishonor and notice of non-payment.

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The remedies of the Holder as provided herein and in any of the Loan Documents are cumulative and concurrent, and may be pursued singly, successively or together, at the sole discretion of the Holder, and may be exercised as often as occasion therefor may arise. The rights and remedies of the Holder specified in this Note are in addition to and not exclusive of any other rights and remedies to which the Holder is entitled whether by operation of law or in equity. No act of omission or commission of the Holder, including specifically any failure to exercise any right, remedy or recourse, or any delay in exercising the same, constitutes a waiver or release thereof, unless set forth in a written document executed by the Holder and then only to the extent therein specifically recited. A waiver or release with reference to one event will not be construed as a continuing bar to, or as a waiver or release of, any subsequent right, remedy or recourse as to any subsequent event. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom such change is sought.

The Holder and the Maker intend in this Note to expressly and legally agree upon the rate of interest and manner of payment stated within it; provided that, and notwithstanding anything to the contrary herein contained, if said rate of interest or manner of payment exceeds the maximum allowable under applicable law, then the Maker is liable only for the payment of such maximum as allowed by law, and payments previously received from the Maker in excess of such legal maximum are considered reductions to principal to the extent of the excess. It is further intended that if any provision of this Note is held to be either partially or wholly invalid, illegal, unenforceable, or inoperative by a court of competent jurisdiction by reason of operation of law, in equity, or otherwise, the remaining provisions of this Note are not affected or impaired thereby, but remain valid and enforceable.

The Maker by its execution of this Note, and the Holder by its advance of principal in reliance on this Note, expect and intend that this Note be governed by and construed under the laws of the State of Illinois, its place of execution, and the Maker consents to the jurisdiction of the State of Illinois for all purposes including the enforcement of this Note.

This Note is executed by Chicago Title and Trust Company, 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), solely to evidence the validity of the debt represented hereby, and it is expressly understood and agreed that nothing herein or in any other Loan Document contained shall be construed as creating any liability on said Trustee personally to pay the indebtedness accruing hereunder or under any of the Loan Documents, or to perform any covenant either express or implied or herein or therein contained, all such liability, if any, being expressly waived by the Holder hereof and by every person now or hereafter claiming any right or security hereunder, and that so far as said Trustee personally is concerned, the Holder hereof shall look to the co-maker hereof, to the Project or collateral securing this Note for the payment thereof, by the enforcement against said Project or collateral as provided in the various provisions of the Loan Documents or to any other security given at any time to secure this Note or any indebtedness accruing under the Loan Agreement, including the personal liability of any guarantor. Nothing contained in this paragraph shall be construed so as to require Holder to foreclose on said Project or any part thereof, prior to calling on said Project or any part thereof.

THE MAKER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY UNDER ANY ACTION OR PROCEEDING ARISING DIRECTLY OR INDIRECTLY OUT OF THIS NOTE.

CHICAGO TITLE AND TRUST COMPANY
not personally, but solely as Trustee under
Trust Agreement dated March 23, 1988,
and known as Trust No. 1090610.

Attest:

By: Marilyn P. Mallein

Its: ASST. SEC'Y.

By: Alon S. Kaufman
ABST. VICE PRESIDENT

EXTRA SPACE DEVELOPMENT INC.
(An Illinois Corporation)

By: Martin A. Egeest
Its: President

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COOK COUNTY RECORDER

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