

C. In accordance with the collateral Assignment of Lease(s) and Rent(s) dated of even date herewith, all rents, issues, proceeds, and profits accruing and to accrue from the Premises; and

B. All and singular the tenements, hereditaments, easements, appurtenances, passages, liberties, and privileges thereof or in any way now or hereafter appertaining, including homestead and any other claim at law or in equity as well as any after-acquired title, franchise, or license, and the reversion and reversions and remainder and remainders thereof;

A. All right, title, and interest of Mortgagor, including any after-acquired title or reversion, in and to the beds of the ways, streets, avenues, and alleys adjoining the Premises,

Mortgagor does, by these presents, grant, convey, and mortgage unto Mortgagee, its successors and assigns forever, the Real Estate and all of its estates, rights, titles, and interests therein situate in the County of Cook and State of Illinois, legally described on Exhibit "1" attached hereto and made a part hereof (sometimes herein referred to as the "Real Estate"), which Real Estate, together with the following described property, is collectively referred to as the "Premises", together with:

WHEREAS, as a condition of making the loan evidenced by the aforesaid Mortgage Note, Mortgagee has required that Mortgagor and Mortgagee has executed, acknowledged, and delivered this Mortgage to secure the indebtedness evidenced by the aforesaid Mortgage Note.

WHEREAS, Mortgagor is indebted to Mortgagee in the principal amount of \$500,000 together with interest thereon from and after the date hereof at the rates provided in that certain Mortgage Note ("Mortgage Note"), a copy of which is attached hereto as Exhibit "2".

W I T N E S S :

\$53.00

This MORTGAGE is made September 25, 1989, between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee under a Trust Agreement dated October 13, 1987 and known as Trust 103747-00, (hereinafter referred to as "Mortgagor") and NBD ELK GROVE BANK, an Illinois banking corporation, having an office at 100 E. Higgins Road, Elk Grove Village, IL 60007, (hereinafter referred to as "Mortgagee").

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MORTGAGE

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A. PAYMENT OF PRINCIPAL AND INTEREST. Pay promptly when due the principal and interest on the indebtedness evidenced by the Mortgage Note at the times and in the manner herein and in the Mortgage Note provided at the times and in the manner therein to be provided.

1. MORTGAGOR'S COVENANTS. To protect the security of this Mortgage, Mortgagor agrees and covenants with the Mortgagee that Mortgagor shall:

provided, however, that if the Mortgagor shall pay the principal and all interest as provided by the Mortgage Note, and shall pay all other sums herein provided for and therein to be provided for, or secured hereby or thereby, and shall well and truly keep and perform all of the covenants herein contained and to be contained therein, then this Mortgage shall be released at the cost of the Mortgagor, otherwise to remain in full force and effect.

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

D. All buildings and improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration, and repairs of such 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 premises, and all fixtures, equipment, materials and other types of personal property (other than that belonging to tenants) used in the ownership and operation of the improvement situated thereon with parking and other related facilities, in possession of Mortgagor and now or hereafter located in, on, or upon, or installed in or attached to, the Real Estate legally described herein, or any improvements or structures thereon, together with all accessories and parts now attached to or used in connection with any such equipment, materials and personal property or which may hereafter, at any time, be placed in or added thereto, and also any and all replacements and proceeds of any such equipment, materials and personal property, together with the proceeds of any of the foregoing; 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 any of the property aforesaid which does not so form a part and parcel of the Real Estate or does not constitute a "fixture" (as such term is defined in the Uniform Commercial Code), this Mortgage is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to the Mortgagee as the Secured Party (as such term is defined in the Uniform Commercial Code).

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B. TAXES AND DEPOSITS THEREFOR. (1) Pay immediately when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer charges, and other charges which may be levied against the premises, and to furnish to Mortgagee upon request therefor, duplicate receipts therefor within thirty (30) days after payment thereof. Mortgagee may, in good faith and with reasonable diligence, contest the validity or amount of any such taxes or assessments provided: (a) that such contest shall have the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of said premises; or any part thereof, or any interest therein, to satisfy the same; (b) that Mortgagee has notified Mortgagee in writing of the intention of Mortgagee to contest the same, before any tax or assessment has been increased by any interest, penalties, or costs; and (c) that Mortgagee shall have deposited with Mortgagee at such place as Mortgagee may from time to time in writing appoint, a sum of money, bond, letter of credit or other security reasonably acceptable to Mortgagee which shall be sufficient in the reasonable judgment of the Mortgagee to pay in full such contested tax and assessment and all penalties and interest that might become due thereon, and shall keep said money on deposit or keep in effect said bond or letter of credit in an amount sufficient, in the reasonable judgment of the Mortgagee, to pay in full such contested tax and assessment; and all penalties and interest that might become due thereon, and shall keep on deposit an amount so sufficient at all times, increasing such amount to cover additional penalties and interest whenever, in the reasonable judgment of the Mortgagee, such increase is advisable. In case the Mortgagee, after demand is made upon it by Mortgagee, shall fail to prosecute such contest with reasonable diligence or shall fail to maintain sufficient funds on deposit as hereinafter provided, the Mortgagee may, at its option upon notice to Mortgagee, apply the monies and/or liquidate the securities deposited with Mortgagee, in payment of, or on account of, such taxes and assessments, or any portion thereof then unpaid, including the payment of all penalties and interest thereon. If the amount of the money and/or security so deposited shall be insufficient as aforesaid for the payment in full of such taxes and assessments, together with all penalties and interest thereon, the Mortgagee shall forthwith upon demand, either (i) deposit with the Mortgagee a sum which, when added to the funds then on deposit, shall be sufficient to make such payment in full; or (ii) in case the Mortgagee shall have applied funds on deposit on account of such taxes and assessments, restore said deposit to an amount reasonably satisfactory to Mortgagee. Provided Mortgagee is not then in default hereunder, the Mortgagee shall, upon the final disposition of such contest and upon Mortgagee's delivery to Mortgagee of an official bill for such taxes, apply the money so deposited in full payment of such taxes and assessments or that part thereof then unpaid, together with all penalties and interest due thereon and return on demand the balance of said deposit, if any, to Mortgagee.

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(2) Liability, Business Interruption and Workers Compensation Insurance. Carry and maintain comprehensive public liability insurance, business interruption (or loss of rentals) insurance, workers compensation insurance, and flood insurance as may be required from time to time by the Mortgagee in forms, amounts, and with companies reasonably satisfactory to the Mortgagee. Such insurance policies shall name Mortgagee as an additional insured party thereunder. Certificates of such insurances, premiums prepaid, shall be deposited with the Mortgagee and shall contain provision for thirty (30) days' notice to the Mortgagee prior to any cancellation thereof.

C. INSURANCE. (1) Hazard. Keep the improvements now existing or hereafter erected on the premises insured under a replacement cost form of insurance policy against loss or damage resulting from fire, windstorm, and other hazards as may be required by Mortgagee, and to pay promptly, when due, any premiums on such insurance, provided however, Mortgagee may make such payments on behalf of Mortgagee. All insurance shall be in form and content as reasonably approved by the Mortgagee (which shall be carried in companies reasonably acceptable to Mortgagee) and the policies and renewals marked "PAID", shall be delivered to the Mortgagee at least thirty (30) days before the expiration of the old policies and shall have attached thereto standard noncontributing mortgage clause(s) in favor of and entitling Mortgagee to collect any and all of the proceeds payable under all such insurance, as well as standard waiver of subrogation endorsement, if available. Mortgagee shall not carry separate insurance, concurrent in kind or form and contributing in the event of loss, with any insurance required hereunder. In the event of any casualty loss, Mortgagee will give immediate notice by mail to the Mortgagee.

(2) Deposit with the Mortgagee each month on the date when the interest payment under the Mortgage Note is due, an amount equal to 1/12th of the annual real estate taxes for the Real Estate, as reasonably estimated by Mortgagee, on a "January to January" basis and not on a "when issued and payable" basis so that there shall be on deposit with the Mortgagee (1) the estimated amount of unpaid general taxes for the real estate described in the Mortgage for the year(s) previous to the year of the month in which the deposit is being made (even though such previous year(s) real estate taxes may not then be in collection); and (2) an amount for the year in which the deposit is being made equal to the monthly deposit amount multiplied by the calendar number (January being number 1) of the month in which the deposit is required to be made. Mortgagee shall not be obligated to pay interest or earnings of any kind on funds deposited with it pursuant to the provisions of this paragraph (2).

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E. CREATION OF LIENS AND TRANSFER OF OWNERSHIP. (1) Not create, suffer, or permit to be created or filed against the Premises, any mortgage lien or other lien whether superior or inferior to the lien of this Mortgage. The Mortgagor may either (i) cause title insurance to be issued insuring that any such liens will not affect the priority of the lien of this Mortgage, or (ii) contest any lien claim arising from any work performed, material furnished, or obligations incurred by Mortgagor upon furnishing Mortgage security and indemnification reasonably satisfactory to Mortgagor for the final payment and discharge thereof; or

Mortgagor further agrees to permit, commit, or suffer no waste, impairment, or deterioration of the Premises or any part or improvement thereof; to keep and maintain the Premises and every part thereof in good repair and condition, subject to ordinary wear and tear, to effect such repairs as the Mortgagee may reasonably require, and, from time to time, to make all needed and proper replacements and additions thereto so that said buildings, fixtures, machinery, and appurtenances will, at all times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed; to comply with all statutes, orders, requirements or decrees relating to said Premises as provided in any notice given by any federal, state, or municipal authority; and to observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including, but not limited to, zoning variances, special exceptions, and nonconforming uses) privileges, franchises, and concessions which are applicable to the Premises or which have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the said Premises.

D. PRESERVATION AND RESTORATION OF PREMISES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS. Not permit any building or other improvement on the Premises to be materially altered, removed, or demolished, nor shall any fixtures or appliances on, in, or about said buildings or improvements be severed, removed, sold, or mortgaged, without the prior written consent of Mortgagee, and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels, or articles of personal property covered hereby or by any separate security agreement given in conjunction herewith, the same shall be replaced promptly by similar fixtures, chattels, and articles of personal property at least equal in quality and condition to those replaced, free from any security interest in or encumbrances thereon or reservation of title thereto. Subject to the provisions of Paragraph 19 hereof, Mortgagor shall promptly repair, restore, or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed. The buildings and improvements shall be so restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction.

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F. HAZARDOUS WASTE. The Mortgagee represents and warrants to the Mortgagee that (a) the Mortgagee has not used Hazardous Materials (as defined below), on, from or affecting the Premises in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and, to the best of the Mortgagee's knowledge, no prior owner of the Premises or any existing or prior tenant, or occupant has used Hazardous Materials on, from, or affecting the Premises in any manner which violates federal, state or local law, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials; (b) the Mortgagee has never received any notice of any violations (and is not aware of any existing violations) of federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials at the Premises and, to the best of the Mortgagee's knowledge, there have been no actions commenced or threatened by any part for noncompliance which affects the Premises; (c) Mortgagee shall keep or cause the Premises to be kept free of Hazardous Materials except to the extent that such Hazardous Materials are stored and/or used in compliance with all applicable federal, state and local laws and regulations; and, without limiting the foregoing, Mortgagee shall not cause or permit the Premises to be used to generate, manufacture, refine transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials, except in compliance with all applicable federal, state and local laws and regulations, nor shall Mortgagee

Any waiver by Mortgagee of the provisions of this Paragraph shall not be deemed to be a waiver of the right of Mortgagee to insist upon strict compliance with the provisions of this Paragraph in the future.

(3) Remit all of the proceeds of the sale of any condominium unit within the Real Estate (less normal and usual expenses of selling, e.g. brokerage fees, attorney's fees, transfer taxes, decorating credits, survey costs and title costs, all in reasonable amounts) to Mortgagee in reduction of the indebtedness evidenced by the Mortgage Note and for which Mortgagee shall execute and deliver to Mortgagee a partial release of this Mortgage and collateral Assignment of Lease(s) and Rent(s) as to the condominium unit sold only.

(2) Except for the sale of condominium units within the Real Estate, neither permit the Premises, or the beneficial interest in Mortgage, in whole or in part, to be alienated, transferred, conveyed or assigned to any person or entity, nor permit the Leases specifically identified in the collateral Assignment of Lease(s) and Rent(s), executed and delivered by Mortgagee to Mortgagee in connection herewith, to be assigned by the Lessor or the Lessee therein identified; or

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(11) The Mortgagor shall have no indemnity obligation with respect to any Hazardous Materials introduced to the Premises or any part of the Premises by the Mortgagor, its successors or assigns.

(1) The Mortgagor shall have no indemnity obligation with respect to Hazardous Materials that are first introduced to the Premises or any part of the Premises subsequent to the date that the Mortgagor's interest in and possession of the Premises terminated by foreclosure of this Mortgage or acceptance of a deed in lieu of foreclosure;

as follows:
Indemnity obligations under this paragraph are specifically limited as follows:
or requirements of the Mortgage, which are based upon or in any way related to such Hazardous Materials used in the Premises. The requirements or demands of government authorities, or any policies, regulations, orders, laws, or any violation of laws, orders, regulations, and/or (d) any violation of laws, orders, regulations, orders relating to such Hazardous Materials with respect to the lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials with respect to the of or related to such Hazardous Materials on the Premises; (c) any wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials on the Premises; (c) any Premises or the soil, water, vegetation, buildings, personal property, persons or animals; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials on the Premises; (c) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials with respect to the Premises; and/or (d) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies, or requirements of the Mortgage, which are based upon or in any way related to such Hazardous Materials used in the Premises. The Indemnity obligations under this paragraph are specifically limited as follows:

Subject to the limitations set forth below, the Mortgagor shall defend, indemnify and hold harmless the Mortgagor, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, libelites, settlements, damages, costs or expenses, including, without limitation, attorney's and consultant's fees, investigations and laboratory fees, court costs and litigation expenses, known or unknown, contingent or otherwise, arising out of or in any way related to (a) the presence, disposal, release or threatened release of any Hazardous Materials, on, over, under, from or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons or animals; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials on the Premises; (c) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials with respect to the Premises; and/or (d) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies, or requirements of the Mortgage, which are based upon or in any way related to such Hazardous Materials used in the Premises. The Indemnity obligations under this paragraph are specifically limited as follows:
cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor or any tenant, subtenant or occupant, a release, spill, leak or emission of Hazardous Materials onto the premises or onto any other contiguous property; (d) the Mortgagor shall conduct and complete all investigations, including a comprehensive environmental audit, studies, sampling, and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials on, under, from or affecting the premises as required by all applicable federal, state and local laws, ordinances, rules, regulations and policies, to the satisfaction of the Mortgagor, and in accordance with the orders and directives of all federal, state and local governmental authorities. If the Mortgagor fails to conduct an environmental audit required by the Mortgagor, then the Mortgagor may at its option and at the expense of the Mortgagor, conduct such audit.

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The Mortgagor agrees that in the event this Mortgage is foreclosed or the Mortgagor tenders a deed in lieu of foreclosure, the Mortgagor shall deliver the Premises to the Mortgagee free of any and all Hazardous Materials which are then required to be removed (whether over time or immediately) pursuant to applicable federal, state and local laws, ordinances, rules or regulations affecting the Premises.

For purposes of this Mortgage, "Hazardous Materials", includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (42 U.S.C. Section 9601, et. seq.), the Hazardous Materials Transportation Act, as amended, (49 U.S.C. Sections 1801 et. seq.), the Resource Conservation and Recovery Act, as amended, (42 U.S.C. Section 6901, et. seq.) and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local governmental law, ordinance, rule or regulation.

The provisions of this paragraph shall be in addition to any and all obligations and liabilities the Mortgagor may have to the Mortgagee under the Debt, any loan document, and in common law, and shall survive (a) the repayment of all sums due for the debt; (b) the satisfaction of all of the other obligations of the Mortgagor in this Mortgage and under any loan document; (c) the discharge of this Mortgage; and (d) the foreclosure of this Mortgage or acceptance of a deed in lieu of foreclosure. Notwithstanding anything to the contrary contained in this Mortgage, it is the intention of the Mortgagor and the Mortgagee that the indemnity provisions of this paragraph shall only apply to an action commenced against any owner or operator of the Premises in which any interest of the Mortgagee is threatened or any claim is made against the Mortgagee for the payment of money.

G. FINANCIAL COVENANTS. While any portion of the indebtedness evidenced by the Mortgage Note is outstanding, Mortgagor shall,

(a) Establish at, and maintain with, Mortgagee an operating account for the Premises into which all rentals and other income from the Premises shall be deposited and from which all expenses necessary to maintain and operate the Premises shall be paid.

(b) Provide Mortgagee with a conformed copy of each lease affecting the Premises and a copy of any notice of lease cancellation prior to the expiration of the maturity date in such lease, provided that Mortgagee receives the right to review and approve all prospectus tenants for the Premises, together with their respective lease contracts which must be acceptable in form and content to Mortgagee, provided that Mortgagor may make revisions to the terms of such lease contracts, without obtaining the consent and approval of Mortgagee if such revisions are in the

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ordinary course of Mortgagee's or its beneficiary's business, and if such revisions do not revise the terms of any options to purchase or real estate sale contracts contained in such lease contracts.

(c) Maintain the Debt Service Ratio at 1.20 to 1.0 at all times while any portion of the indebtedness evidenced by the Mortgage Note is unpaid. Debt Service Ratio shall mean an amount represented by a fraction, the numerator of which shall be an amount equal to the annual rental income of the Mortgaged Premises less annual normal operating expenses (including, but not limited to, expenses for heat, light, real estate taxes and maintenance of the Mortgaged Premises) and the denominator of which shall be the amount necessary to pay principal and interest under the Mortgage Note for the year in which the amount represented by the numerator is calculated. In the year in which the entire principal becomes due under the Mortgage Note, the amount of the final principal payment shall be disregarded for the purposes of the calculation described in this Paragraph 1G(c).

2. MORTGAGEE'S PERFORMANCE OF DEFAULTED ACTS. In case of default herein, Mortgagee may, but need not, at any time after the giving of any notice and the lapse of any time thereafter which may be required by Paragraph 11 hereof, and subject to the provisions of this Mortgage make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Mortgagee, and Mortgagee may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise, or settle any tax lien or other prior or junior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or contest any tax or assessment. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee to protect the Premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable by Mortgagor to Mortgagee without notice and with interest thereon at the Default Interest Rate as defined herein. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor.

3. EMINENT DOMAIN. Any and all awards heretofore or hereafter made or to be made to the present and all subsequent owners of the Premises, by any governmental or other lawful authority for taking, by condemnation or eminent domain, of the whole or any part of the Premises or any improvement located thereon or any easement therein or appurtenant thereto (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 payment thereof), are hereby assigned by Mortgagor to Mortgagee, to the extent of the Loan Amount, which award Mortgagee is hereby authorized to give appropriate receipts and acquittances therefore, and, subject to

the terms of Paragraph 19 hereof, Mortgagee shall, at its option, apply the proceeds of such award as a credit upon any portion of the indebtedness secured hereby or permit the same to be used to repair and restore the improvements in the same manner as set forth in Paragraph 19 hereof with regard to insurance proceeds received subsequent to a fire or other casualty to the Premises. Mortgagor covenants and agrees that Mortgagor will give Mortgagee immediate notice of the actual or threatened commencement of any such proceedings under condemnation or eminent domain, affecting all or any part of the said Premises or any easement therein or appurtenance thereof, including severance and consequential damage and change in grade of streets, and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor further covenants and agrees to make, execute, and deliver to Mortgagee, at any time or times upon request, free and clear, and discharged of any encumbrances of any kind whatsoever, any and all further assignments and/or instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all awards in accordance with and subject to the provisions hereof, and other compensation heretofore and hereafter to be made to Mortgagor for any taking, either permanent or temporary, under any such proceeding. Notwithstanding anything aforesaid to the contrary, Mortgagor shall have the sole authority to conduct the defense of any condemnation or eminent domain proceeding and (so long as the amount of any condemnation or eminent domain award exceeds the unpaid principal balance evidenced by the Mortgage Note) the sole authority to agree to and/or accept the amounts, terms, and conditions of any and all condemnation or eminent domain awards.

4. ACKNOWLEDGEMENT OF DEBT. Mortgagor shall furnish, from time to time, within thirty (30) days after Mortgagee's request, a written statement of the amount due upon this Mortgage and whether any alleged offsets or defenses exist against the indebtedness secured by this Mortgage.

5. INSPECTION OF BOOKS AND RECORDS. Mortgagor shall keep and maintain full and correct books and records showing in detail the income and expenses of the Premises and within ten (10) days after demand therefore to permit Mortgagee, at normal business hours, to examine such books and records and all supporting vouchers and data, at any time and from time to time on request, at Mortgagor's offices, hereinbefore identified or at such other location as may be mutually agreed upon.

6. ILLEGALITY OF TERMS HEREOF. Nothing herein contained nor any transaction related thereto shall be construed or shall so operate either presently or prospectively, (a) to require Mortgagor to pay interest at a rate greater than is now lawful in such case to contract for, but shall require payment of interest only to the extent of such lawful rate; or (b) to require Mortgagor to make any payment or do any act contrary to law, and if any clause or clauses and provision herein contained shall otherwise so operate to invalidate this Mortgage, in whole or in part, then such clause or

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clauses and provisions only shall be held for naught as though not herein contained and the remainder of this Mortgage shall remain operative and in full force and effect, and Mortgagee shall be given a reasonable time to correct any such error.

7. SUBROGATION. In the event the proceeds of the loan made by the Mortgagee to the Mortgagor, or any part thereof, or any amount paid out or advanced by the Mortgagee, be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the Premises or any part thereof, then the Mortgagee shall be subrogated to such other lien or encumbrance and to any additional security held by the holder thereof and shall have the benefit of the priority of all of same.

8. EXECUTION OF SECURITY AGREEMENT AND FINANCING STATEMENT. Mortgagor, within five (5) days after request by mail, shall execute, acknowledge, and deliver to Mortgagee a Security Agreement, Financing Statement, or other similar security instrument, in form satisfactory to the Mortgagee, and conforming to the terms hereof covering all property of any kind whatsoever owned by the Mortgagor, which, in the sole opinion of Mortgagee, is essential to the operation of the Premises and concerning which there may be any doubt as to whether the title to same has been conveyed by or a security interest therein perfected by this Mortgage under the laws of the State of Illinois and will further execute, acknowledge, and deliver any financing statement, affidavit, continuation statement or certificate, or other documents as Mortgagee may request in order to perfect, preserve, maintain, continue, and extend the security instrument. Mortgagor further agrees to pay Mortgagee, on demand, all costs and expenses incurred by Mortgagee in connection with the recording, filing, and refiling of any such document.

9. MORTGAGEE'S PAYMENT OF GOVERNMENTAL, MUNICIPAL, OR OTHER CHARGES OR LIENS. Upon the occurrence of an Event of Default hereunder, Mortgagee is hereby authorized subject to the terms and provisions of this Mortgage, to make or advance, in the place and stead of the Mortgagor, any payment relating to taxes, assessments, water rates, sewer rentals, and other governmental or municipal charges, fines, impositions, or liens asserted against the Premises and may do so according to any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of the bill, statement, or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien, or title or claim thereof, and the Mortgagee is further authorized to make or advance in the place and stead of the Mortgagor any payment relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim, or charge; or payment otherwise relating to any other purpose herein and hereby authorized but not enumerated in this Paragraph, and may do so whenever, in its reasonable judgment and discretion, such advance or advances shall seem necessary or desirable to protect the full security intended to be created by this instrument, and, provided further, that in connection with any such advance,

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Mortgagee, in its option, may, and is hereby authorized to obtain a continuation report of title or title insurance policy prepared by a title insurance company of Mortgagee's choosing.

All such advances and indebtedness authorized by this Paragraph shall be repayable by Mortgagor upon demand with interest at the Default Interest Rate.

10. BUSINESS LOAN. The Mortgagor represents and agrees, and the beneficiaries of Mortgagor by execution and delivery of the direction to Mortgagor to execute this Mortgage, warrants, represents, and agrees that the proceeds of the Mortgage Note will be used for business purposes, and that the indebtedness evidenced by the Mortgage Note, constitutes a business loan.

11. DEFAULT AND FORECLOSURE.

(a) Events of Default and Remedies. The following shall constitute an Event of Default under this Mortgage:

(i) any default in the monthly payments under the Mortgage Note secured hereby, which default or failure remains uncured for a period of fifteen (15) days following notice thereof to Mortgagor, or a default in making the principal payment required under the Mortgage Note; or

(ii) any default in the performance or observance of any other term, covenant, or condition in this Mortgage, or in any other instrument now or hereafter evidencing or securing said indebtedness which default continues for thirty (30) days following notice thereof to Mortgagor, provided that if Mortgagor is diligently pursuing a cure of any such default and the default cannot be cured within such thirty (30) day period, Mortgagor shall have an additional reasonable period of time, not to exceed thirty (30) days, to cure such default; or

(iii) if the Mortgagor, any beneficiary thereof, or any Guarantor of the payment of any of the indebtedness evidenced by the Mortgage Note shall file an answer admitting insolvency or inability to pay their debts or fail to obtain a vacation or stay of involuntary proceedings within thirty (30) days of the date of the filing of such proceedings; or

(iv) if the Mortgagor, any beneficiary thereof, or any Guarantor of the payment of any of the indebtedness evidenced by the Mortgage Note shall be adjudicated a bankrupt, or a trustee or a receiver shall be appointed for the Mortgagor or its beneficiary, or any Guarantor, for all or any portion of the Premises or its or their property in any involuntary proceeding; or

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(v) any Court shall have taken jurisdiction of all or any portion of the Premises or the property, or a substantial part of the property of the Mortgagor, any beneficiary thereof, or any Guarantor of the payment of any of the indebtedness evidenced by the Mortgage Note in any involuntary proceeding for the reorganization, dissolution, liquidation, or winding up of the Mortgagor, or any beneficiary thereof, or any Guarantor of the payment of any of the indebtedness evidenced by the Mortgage Note and such trustees or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within the thirty (30) days after appointment; or

(vi) the Mortgagor, any beneficiary thereof, or any Guarantor of the payment of any of the indebtedness evidenced by the Mortgage Note shall make an assignment for the benefit of creditors, or shall admit in writing its or their insolvency or shall consent to the appointment of a receiver or trustee or liquidator of all or any portion of the Premises; or

(vii) the untruth or falsity of any of the warranties, representations, statements, or certifications contained herein, or other Loan Documents therein identified given to secure the payment of the indebtedness evidenced by the Mortgage Note.

Upon the occurrence of an Event of Default, the entire indebtedness secured hereby, including, but not limited to, principal and accrued interest shall, at the option of the Mortgagee and without demand or notice to Mortgagor, become immediately due and payable with interest accruing thereafter on the unpaid principal balance of the indebtedness evidenced by the Mortgage Note at the Default Interest Rate, (as hereinafter defined) and, thereupon, or at any time after the occurrence of any such Event of Default, the Mortgagee may proceed to foreclose this Mortgage by judicial proceedings according to the statutes in such case provided, and any failure to exercise said option shall not constitute a waiver of the right to exercise the same at any other time.

(b) Expense of Litigation. In any suit to foreclose the lien of this Mortgage or enforce any other remedy of the Mortgagee under this Mortgage, the indebtedness evidenced by the Mortgage Note, or any other document given to secure the indebtedness evidenced by the Mortgage Note, there shall be allowed and included as additional indebtedness in the judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, survey costs, and cost (which may be

estimated as to items to be expended after entry of the decree), of procuring all abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree, the true condition of the title to or value of the Premises. All expenditures and expenses of the nature in this Paragraph mentioned, and such expenses and fees as may be incurred in the protection of said Premises and the maintenance of the lien of this Mortgage, including the fees of any attorney affecting this Mortgage, the indebtedness evidenced by the Mortgage Note, or the Premises, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the Default Interest Rate.

(c) Mortgagee's Right of Possession in Case of Event of Default. In any case in which, under the provisions of this Mortgage, the Mortgagee has a right to institute foreclosure proceedings whether or not the entire principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof, or before or after sale thereunder, forthwith upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee, and Mortgagee shall be entitled to take, actual possession of the Premises or any part thereof, personally or by its agent or attorneys, as for condition broken and Mortgagee, in its discretion, may enter upon and take and maintain possession of all or any part of said Premises, together with all documents, books, records, papers, and accounts of the Mortgagor or the then owner of the Premises relating thereto, and may exclude the Mortgagor, its agents or servants, wholly therefrom, and may, in its own name as Mortgagee and under the powers herein granted:

(i) hold, operate, manage and control the Premises and conduct the business, if any thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Premises including actions for recovery of rent, actions in forcible detainer, and actions in distress for rent, hereby granting full power and authority to exercise each and every of the rights, privileges, and powers herein granted at any and all times hereafter, without notice to the Mortgagor;

(ii) cancel or terminate any lease or sublease or management agreement for any cause or on any ground which would entitle Mortgagor to cancel the same;

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(iii) extend or modify any then existing lease(s) or management agreement(s) and make new lease(s) or management agreement(s), which extensions, modifications, and new lease(s) or management agreement(s) may provide for terms to expire, or for options to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such lease(s) and management agreement(s) and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and shall also be binding upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge, or the mortgage indebtedness, satisfactory of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser;

(iv) make all necessary or proper repairs, decorations, renewals, replacements, alterations, additions, betterments, and improvements to the Premises as to Mortgagee may seem judicious, to insure and reinsure the Premises and all risks incidental to Mortgagee's possession, operation and management thereof, and to receive all avails, rents, issues and profits.

(d) Mortgagee's Determination of Priority of Payments. Any avails, rents, issues, and profits of the Premises received by the Mortgagee after having taken possession of the Premises, or pursuant to any assignment thereof to the Mortgagee under the provisions of this Mortgage or of any separate security documents or instruments shall be applied in payment of or on account of the following, in such order as the Mortgagee (or in case of a receivership) as the Court may determine:

(i) to the payment of the operation expenses of the Premises, which shall include reasonable compensation to the Mortgagee or the receiver and its agent or agents, if management of the Premises has been delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases, established claims for damages, if any, and premiums on insurance hereinabove authorized;

(ii) to the payment of taxes, special assessments, and water taxes now due or which may hereafter become due on the Premises, or which may become a lien prior to the lien of this Mortgage;

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(iii) to the payment of all repairs and replacements, of said Premises and of placing said property in such condition as will, in the judgment of Mortgagee or receiver, make it readily rentable;

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

(v) any overplus or remaining funds to the Mortgagor, their successors or assigns, as their rights may appear.

(e) Appointment of Receiver. Upon or at any time after the filing of any complaint to foreclose this Mortgage, the Court may, upon application, appoint a receiver of the Premises. Such appointment may be made either before or after sale upon appropriate notice as provided by law and without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the indebtedness secured hereby and without regard to the then value of the Premises, and without bond being required of the applicant. Such receiver shall have the power to take possession, control, and care of the Premises and to collect the rents, issues, and profits of the Premises during the pendency of such foreclosure suit, and, in case of a sale and a deficiency, during the full statutory period of redemption (provided that the period of redemption has not been waived by the Mortgagor), as well as during any further times when the Mortgagor, its heirs, administrators, executors, successors, or the assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues, and profits, and all other powers which may be necessary or are useful in such cases for the protection, possession, control, management, and operation of the Premises during the whole of said period, to extend or modify any then new lease(s) or management agreement(s), and to make new lease(s) or management agreement(s), which extensions, modifications, and new lease(s) or management agreement(s) may provide for terms to expire, or for options to lease(s) to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder, it being understood and agreed that any such lease(s) and management agreement(s) and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser.

(f) Application of Proceeds of Foreclosure Suit. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: FIRST, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Paragraph

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(b) hereof; SECOND, all other items which, under the terms hereof, constitute secured indebtedness additional to that evidenced by the Mortgage Note, with interest thereon at the Default Interest Rate; THIRD, all principal and interest (calculated at the Default Interest Rate) remaining unpaid on the Mortgage Note; and, FOURTH, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

(g) Rescission of or Failure to Exercise. The failure of the Mortgagee to exercise the option for acceleration of maturity and/or foreclosure following any Event of Default as aforesaid, or to exercise any other option granted to the Mortgagee hereunder in any one or more instances, or the acceptance by Mortgagee of partial payments hereunder, shall not constitute a waiver of any such Event of Default nor extend or affect any cure period, if any, but such option shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Mortgagee, may, at the option of Mortgagee, be rescinded by written acknowledgement to that effect by the Mortgagee, and shall not affect the Mortgagee's right to accelerate the maturity for any future Event of Default.

(h) Sale of Separate Parcels, Right of Mortgagee to Purchase. In the event of any foreclosure sale of said Premises, the same may be sold in one or more parcels. Mortgagee may be the purchaser at any foreclosure sale of the Premises or any part thereof.

(i) Default Interest Rate. The term "Default Interest Rate" shall be thirteen and eight-tenths (13.80%) per cent per annum.

12. RIGHTS AND REMEDIES ARE CUMULATIVE. All rights and remedies herein provided are cumulative and the holder of the Mortgage Note secured hereby and of every other obligation secured hereby may recover judgment hereon, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security of any right afforded by this Mortgage.

13. GIVING OF NOTICE. Any notice or demands which either party hereto may desire or be required to give to the other party, shall be in writing and shall be hand delivered or mailed by certified mail, return receipt requested, addressed to such other party at the addresses, hereinbefore or hereinafter set forth, or at such other address as either party hereto may, from time to time, by notice in writing, designate to the other party, as a place for service of notice. All such notices and demands which are mailed shall be effectively given two (2) business days after the date of post marking. All such notices and demands which are hand delivered, shall be effectively given on the date of such delivery. In case no other address has been so specified, notices and demands hereunder shall be sent to the following addresses:

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Mortgagee: NBD ELK GROVE BANK
100 E. Higgins Road
Elk Grove Village, IL 60007

Mortgagors: AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO TRUST 103747-00
33 N. LaSalle Street
Chicago, IL 60602

MR. JAMES HOOKANSON
MR. CARL BRISCH
255 Nottingham Avenue
Glenview, IL 60025

and

MR. LEON J. TEICHNER
Three First National Plaza - Suite 2200
Chicago, IL 60602

14. TIME IS OF THE ESSENCE. It is specifically agreed that time is of the essence of this Mortgage. The waiver of the options or obligations secured hereby shall not at any time thereafter be held to be abandonment of such rights. Except as otherwise specifically required, notice of the exercise of any option granted to the Mortgagee herein, or in the Mortgage Note secured hereby is not required to be given.

15. COMMITMENT LETTER. The indebtedness evidenced by the Mortgage Note and secured hereby has been extended to Mortgagor by Mortgagee pursuant to the terms of a Commitment Letter dated September 5, 1989 and amended September 14, 1989 from Mortgagee to Mortgagor's beneficiaries and subsequently accepted by such beneficiaries. All terms and conditions of such Commitment Letter, as amended, are incorporated herein by reference as if fully set forth.

16. COVENANTS TO RUN WITH THE LAND. All the covenants hereof shall run with the land.

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

18. CONSTRUCTION. Mortgagor does hereby acknowledge that all negotiations relative to the loan evidenced by this Mortgage, and all other loan documents, took place in the State of Illinois. Mortgagor and Mortgagee do hereby agree that this Mortgage and all other loan documents securing the Mortgage Note shall be construed and enforced according to the laws of the State of Illinois.

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19. APPLICATION OF INSURANCE PROCEEDS AND EMINENT DOMAIN AWARDS. (1) (a) In the event of any such loss or

damage to the Premises, as described in Paragraph 1D hereof (herein called "Insured Casualty") and if, in the reasonable judgment of Mortgagee (considering the available proceeds of the insurance policy referred to in Paragraph 1(c)(1) hereof), the Premises can be restored prior to the maturity of the Mortgage Note to an architectural and economic unit of the same character and not less valuable than the same was prior to the Insured Casualty, and the insurers do not deny liability to the insureds, then if no Event of Default, as herein defined shall have occurred and be then continuing, and no event shall have occurred that with the mere passage of time or giving of notice, or both, would constitute an Event of Default hereunder, the proceeds of insurance shall be held by Mortgagee and be applied to reimburse the Mortgagor for the cost of restoring, repairing, replacing or rebuilding the Premises or any part thereof subject to the Insured Casualty.

(b) No disbursement of insurance proceeds shall occur unless Mortgagor is in compliance with each of the following conditions:

(i) no Event of Default shall then exist under any of the terms, covenants and conditions of the this Mortgage, the Mortgage Note, or any other Loan Document specified therein;

(ii) Mortgagee shall first be given satisfactory proof that such improvements have been fully restored or that by the expenditure of such money, and any sums deposited by Mortgagee pursuant to the terms of subparagraph (iii) hereof, will be fully restored, free and clear of all mechanic's and materialmen's liens, except for liens for which adequate provision is made pursuant to Paragraph 1(E)(1) hereof, within six (6) months from the date of such loss or damage;

(iii) in the event such proceeds shall be insufficient to restore the improvements, Mortgagor shall deposit promptly with Mortgagee funds which, together with the insurance proceeds, would be sufficient to restore the improvements.

(c) The excess of the insurance proceeds above the amount necessary to complete any necessary restoration shall, after completion of the repair and restoration, be delivered to Mortgagor, provided there then exists no Event of Default; otherwise such excess shall be applied as a credit upon any portion, as selected by Mortgagee, of the indebtedness secured hereby, but the funds released by Mortgagee for restoration shall in no event, be deemed a payment of the indebtedness secured hereby;

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(d) In the event Mortgagee shall elect to permit Mortgagor to use such proceeds for the restoring of the improvements, such proceeds shall be made available, from time to time, upon Mortgagee being furnished with satisfactory evidence of the estimated cost of such restoration and with architect's certificates, partial or final waivers of lien, as the case may be, contractors' sworn statements, and if the estimated cost of the work exceeds ten (10%) percent of the original principal amount of the indebtedness secured hereby, with all plans and specifications for such rebuilding or restoration as Mortgagee may reasonably require and approve. No payment made prior to the final completion of the work shall exceed ninety (90%) percent of the value of the work performed, from time to time, and at all times the undisbursed balance of said proceeds remaining in the hands of the Mortgagee shall be at least sufficient to pay for the cost of completion of the work, free and clear of any liens. In the event of foreclosure of this Mortgage, or other transfer of title to the Premises in extinguishment of the indebtedness secured hereby, all right, title, and interest of the Mortgagor in and to any insurance policies then in force, and any claims or proceeds thereunder shall, to the extent of the indebtedness, pass to the Mortgagee or any purchaser or grantee.

(2) In the event that Mortgagee elects to make available to Mortgagor the proceeds of any award for eminent domain as are required to restore any improvements on the Premises to a complete architectural unit, no disbursement thereof shall occur unless Mortgagor is in compliance with each of the following conditions:

(i) no Event of Default shall then exist under any of the terms, covenants, and conditions of this Mortgage, or any other loan documents;

(ii) Mortgagee shall first be given satisfactory proof that such improvements have been fully restored or that by the expenditure of such award and any sums deposited with Mortgagee pursuant to the terms of sub-paragraph (iii) hereof, will be fully restored to a complete architectural unit, free and clear of all mechanic's and materialmen's liens, except for liens for which adequate provision is made pursuant to Paragraph 1(E)(1) hereof, within six (6) months from the date of such taking;

(iii) in the event such award shall be insufficient to restore the improvements, Mortgagor shall deposit promptly with Mortgagee funds which, together with the award proceeds, would be sufficient to restore the improvements;

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(iv) the rental income to be derived from the improvements, subsequent to such taking by eminent domain, shall not adversely affect the Mortgagors' ability to pay the indebtedness evidenced by the Mortgage Note;

(v) the disbursement of the award will be made according to those provisions of Paragraph 19(b) which relate to the disbursement of insurance proceeds for repair and restoration of the improvements and the conditions precedent to be satisfied by the Mortgagor with regard thereto;

(vi) the excess of the proceeds of the award, above the amount necessary to complete such restoration, shall be delivered to Mortgagor provided there then exists no Event of Default; otherwise such excess shall be applied as a credit upon any portion, as selected by Mortgagee, of the indebtedness secured hereby, but the proceeds of the award released by Mortgagee for restoration shall, in no event, be deemed a payment of the indebtedness secured hereby.

20. BINDING ON SUCCESSOR AND ASSIGNS. Without expanding the liability of any guarantor contained in any instrument of Guaranty executed in connection herewith this Mortgage and all provisions hereof shall extend and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein, shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Mortgage Note or this Mortgage. The word "Mortgagee" when used herein, shall include the successors and assigns of the Mortgagee named herein, and the holder or holders, from time to time, of the Mortgage Note secured hereby. Whenever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall include all genders.

21. Mortgagor executes and delivers this Mortgage to Mortgagee to secure an indebtedness of seven hundred and eighty thousand dollars and interest and charges thereon computed in accordance with the provisions of the Mortgage Note and this Mortgage.

22. To the fullest extent permitted by law, Mortgagor agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor take any advantage of any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment, or order of any court of competent jurisdiction; or after such sale, claim or exercise any rights under any statute now or hereafter in force to redeem

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the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. To the fullest extent permitted by law, Mortgagor hereby expressly waives any and all rights it may have to require that the Premises be sold as separate tracts or units in the event of foreclosure. To the fullest extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption under the Illinois Mortgage Foreclosure Law, Ill.Rev.Stat. ch. 110, §§15-1101 et seq. (the "Act"), on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through, or under Mortgagor and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and such other persons, are and shall be deemed to be hereby waived to the fullest extent permitted by applicable law. To the fullest extent permitted by law, Mortgagor agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay, or impede the exercise of any right, power, or remedy herein or otherwise granted or delegated to Mortgagee, but will permit the exercise of every such right, power, and remedy as though no such law or laws have been or will have been made or enacted. To the fullest extent permitted by law, Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Mortgage Note. Mortgagor acknowledges that the Premises do not constitute agricultural real estate as defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act. Mortgagor hereby waives, unless otherwise specifically prohibited by law, any and all rights to a jury trial upon litigation of any issue, dispute or matter whatsoever which in any manner is related or incident to this Mortgage or the transaction from which it arises, including enforcement thereof.

23. This Mortgage is executed by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but as Trustees aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustees, and insofar as Mortgagor only is concerned is payable only out of the property specifically described in this Mortgage and other Loan Documents securing the payment of the Mortgage Note secured hereby, by the enforcement of the provisions contained in this Mortgage and other loan documents or any thereof. No personal liability shall be asserted to be enforceable against the Mortgagor, because or in respect to said Mortgage Note, this Mortgage, or the making, issue or transfer thereof, all such liability, if any, being expressly waived by such taker and holder hereof, but nothing herein contained shall modify or discharge the personal liability expressly assumed by the Guarantor of said Mortgage Note, and each original and successive holder of said Mortgage Note accepts the same upon the express condition that no duty shall rest upon the undersigned to sequester the rents, issues, and profits arising from the property described

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in this Mortgage or the proceeds arising from the sale or other disposition thereof.

IN WITNESS WHEREOF, Mortgagor has caused these presents to be signed the day and year first above written.

AMERICAN NATIONAL BANK AND TRUST
COMPANY OF CHICAGO,
not personally, but as Trustee aforesaid
under Trust 103747-00

By: _____
Title: Second Vice President

ATTEST:

_____ ASSISTANT SECRETARY

This instrument is recorded by the County Clerk of Cook County, Illinois, as a mortgage, but solely as Trustee in the execution of the trust created by the instrument and not as such Trustee. It is not a mortgage and does not create a lien in favor of the lender, nor does it represent a loan or any other financial transaction. It is not to be construed as a mortgage or any other financial instrument. The County Clerk of Cook County, Illinois, is not responsible for the accuracy or completeness of the information contained herein. The County Clerk of Cook County, Illinois, is not a party to this instrument and does not warrant, represent, or endorse any product or service.

This instrument prepared by and delivered to:
Mr. William B. Weidenaar
One N. LaSalle Street
Chicago, IL 60602

Box 333

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COOK COUNTY, ILLINOIS
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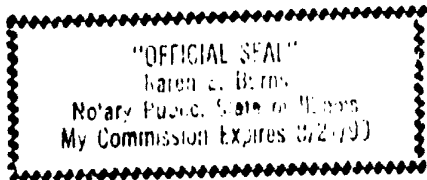
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STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

I, KAREN E. BURNS, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Peter H. Johnson, President of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO and MICHAEL WINTAN, Secretary of said AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and 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 AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee under Trust 103747-00 aforesaid, for the uses and purposes therein set forth; and the said Secretary did also then and there acknowledge that he/she, as custodian for the corporate seal of said AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, did affix the said corporate seal as his/her own free and voluntary act, and as the free and voluntary act of said AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee aforesaid, for the uses and purposes therein set forth.

Given under my hand and notarial seal this OCT 25 1989 day of 1989.



[Handwritten Signature]
Notary Public

(Notary Seal)

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MORTGAGE NOTE

\$500,000.00

September 25, 1989

FOR VALUE RECEIVED, the undersigned, AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee under a Trust Agreement dated October 13, 1987 and known as Trust 103747-00 ("Trust 103747-00") hereby jointly and severally, promise to pay on August 1, 1991 to NBD ELK GROVE BANK ("Bank"), an Illinois banking corporation, having its principal office at 100 E. Higgins Road, Elk Grove Village, IL, the principal sum of FIVE HUNDRED THOUSAND (\$500,000) DOLLARS and interest at the rate specified below.

The Interest Rate payable hereunder shall be computed on the basis of a year consisting of 360 days and shall be paid for the actual number of days elapsed. The Interest Rate shall be ten and eight-tenths (10.80%) per cent per annum.

Trust 103747-00 shall pay interest monthly, on the fifteenth (15th) day of each month, on amounts actually disbursed by the Bank. Interest on any disbursement shall begin to accrue as of the date thereof. All payments hereunder shall be first applied to interest accrued on the unpaid principal balance and the remainder to principal.

THIS IS A BALLOON NOTE AND ON THE MATURITY DATE (AUGUST 1, 1991) THE ENTIRE PRINCIPAL AMOUNT OF THIS MORTGAGE NOTE WILL BE DUE AND PAYABLE.

Provided that no Event of Default exists hereunder, Trust 103747-00 shall have the option to extend the maturity of this Mortgage Note for a period of six (6) months from the maturity date, (August 1, 1991) by delivering to the Bank on or before August 1, 1991 a written notice of the exercise of this option. In the event that Trust 103747-00 exercises the option to extend such repayment, Trust 103747-00 shall pay to the Bank interest on the fifteenth (15th) day of each month commencing September 15, 1991, and continuing on the fifteenth (15th) day of each month thereafter on amounts actually disbursed by the Bank at the Interest Rate of one (1.0%) per cent in excess of the Bank's Prime Rate of Interest in effect from time to time. The Interest Rate shall change if and when the Bank's Prime Rate of Interest changes, and any such change in the Interest Rate shall be effective as of the date of the respective change in the Prime Rate of Interest. The term "Prime Rate of Interest" as used herein shall mean at any time the Prime Rate of Interest of the Bank as announced from time to time in effect by the Bank at its main office. It is expressly agreed that the use of the term "Prime Rate of Interest" is not intended to mean, nor does it imply, that said rate of interest is a preferred rate of interest or one which is offered by the Bank to its most credit worthy customers.

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EXHIBIT "2"

After maturity, whether by acceleration or otherwise, the Default Interest Rate on the outstanding principal balance shall be thirteen and eight-tenths (13.80%) per cent per annum.

The Bank may impose a late charge of five (5%) per cent of the amount of interest due in any month in which the monthly payment is received more than fifteen (15) days after its due date.

Payments of both principal and interest are to be made at such place as the legal holders of this Mortgage Note may from time to time appoint and in the absence of such appointment, at the office of the Bank noted above.

Except for prepayments caused by the sale of condominium units within the real estate described in the Mortgage specified below, prepayments of the indebtedness evidenced by this Mortgage Note are prohibited except for prepayments occasioned by a sale of the real estate legally described in the Mortgage described below, or by the acceleration of the maturity of the indebtedness for any reason, including, but not limited to, the occurrence of an Event of Default as described below and in any such events Trust 103747-00 shall pay, in addition to all sums due hereunder, a prepayment fee equal to the aggregate of one (1%) per cent of the amount due to the Bank at the time of such prepayment, plus the amount, if any, which the Bank is obligated to pay to NATIONAL BANK OF DETROIT to terminate a rate swap agreement between the Bank and NATIONAL BANK OF DETROIT calculated in accordance with the provisions providing for payments on early termination contained in the Code of Standard Wording, Assumptions and Provisions for Swaps, 1986 Addition. The amounts paid to the Bank pursuant to the provisions of this Paragraph are paid not as a penalty but as liquidated damages.

As to prepayments caused by the sale of condominium units within the real estate described in the Mortgage specified below, there shall be no prepayment penalty or premium.

In addition to the principal and interest payments specified above, Trust 103747-00 shall deposit with the Bank each month on the date when the principal and interest installment is due, an amount equal to 1/12th of the annual real estate taxes for the Real Estate legally described in the Mortgage, as reasonably estimated by the Bank on a "January to January" basis and not on a "when issued and payable" basis so that there shall be on deposit with the Bank (i) the estimated amount of unpaid general taxes for the real estate described in the Mortgage for the year(s) previous to the year of the month in which the deposit is being made (even though such previous year(s) real estate taxes may not then be in collection); and (ii) an amount for the year in which the deposit is being made equal to the monthly deposit amount multiplied by the calendar number (January being number 1) of the month in which the

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deposit is required to be made. The Bank shall not be obligated to pay interest or earnings of any kind on funds deposited with it pursuant to the provisions of this paragraph.

The payment of this Mortgage Note is secured by (i) a Mortgage bearing even date herewith to the Bank on real estate in Cook County, Illinois; (ii) a Collateral Assignment of Lease(s) and Rent(s) on said real estate; (iii) a Guaranty executed by the beneficiaries of Trust 103747-00; and (iv) an Assignment of Beneficial Interest for Collateral Security of Trust 103747-00 (the "Loan Documents"). Said Loan Documents, including each of their provisions, are incorporated herein as if fully set forth.

It shall be an Event of Default under this Mortgage Note if

(i) There shall be a failure to provide the insurance specified in the Mortgage; or if

(ii) There shall be a default for fifteen (15) days in making any monthly interest payment or in making the principal payment thereafter; or if

(iii) There shall be a default in the performance or observance of any other term, covenant, or condition in this Mortgage Note, the Mortgage, or any other Loan Documents, after written notice thereof from the Bank to Trust 103747-00 which default continues for thirty (30) days provided that if Trust 103747-00 is diligently pursuing a cure of any such default and the default cannot be cured within such thirty (30) day period, Trust 103747-00 shall have an additional reasonable period of time, not to exceed thirty (30) days, to cure such default.

In the Event of Default, the Bank shall have the right to

(i) Demand from Trust 103747-00, or any of them and the Guarantor of this Mortgage Note, the principal balance and unpaid interest due under this Mortgage Note, and the principal balances and any accrued but unpaid interest due under any other Mortgage Note of Trust 103747-00, or guaranteed by the Guarantor hereof, owned by the Bank;

(ii) Foreclose the Mortgage;

(iii) Pursue any other remedies available to it under the provisions of the Mortgage or other Loan Documents.

The holder of this Mortgage Note may grant to Trust 103747-00 or any Guarantor of this Mortgage Note, any extension or extensions of time of payment hereof, in whole or in part; may

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undersigned's or Guarantor's obligations and liability upon this Mortgage Note except to the extent that for any such releases, payments are made to reduce the principal amount of this Mortgage Note.

In the event that this Mortgage Note is placed in the hands of an attorney for collection or is collected by legal proceedings, Trust 103747-00 agrees to pay all costs of such collection including reasonable attorney's fees.

The makers, endorsers, guarantors, sureties and all other parties liable for the payment of any sum due or to become due under the terms of this Mortgage Note severally waive presentment for payment, notice of dishonor and protest.

This Mortgage Note is executed by Trust 103747-00, not individually, but as Trustee, and in the exercise of the power and authority conferred upon and vested in it as such Trustee and said AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO hereby warrants that it possesses full power and authority to execute this instrument. No personal liability shall be asserted or be enforceable against Trust 103747-00 all such liability, if any, being expressly waived by each holder hereof, and each original and successive holder of this Mortgage Note accepts the same upon the express condition that no duty shall rest upon Trust 103747-00 to sequester the rents, issues, and profits arising from the property described in said Mortgage or the proceeds arising from the sale of other disposition thereof.

AMERICAN NATIONAL BANK AND TRUST COMPANY
OF CHICAGO, not individually,
but as Trustee under a Trust Agreement
dated October 13, 1987 and known as
Trust 103747-00

By: _____
Title: _____

ATTEST:

Title: _____

89505687

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LEGAL DESCRIPTION

5611-13 NORTH WINTHROP CONDOMINIUM

UNIT NUMBERS B-A, B-B, 1-A, 1-B, 2-A, 2-B, 3-A and 3-B IN 5611-13 NORTH WINTHROP CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: LOT 14 (EXCEPT THE SOUTH 18 FEET) AND LOT 15 (EXCEPT THE NORTH 16 FEET) IN BLOCK 8 IN COCHRAN'S ADDITION TO EDGEWATER, A SUBDIVISION IN THE EAST FRACTIONAL HALF OF SECTION 5, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NO. 24878292 AS AMENDED BY DOCUMENT NO. 89505687, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS.

Commonly Known as: 5615 North Winthrop Avenue, Chicago, Illinois

Permanent Index Numbers:

14-05-409-020-1001
14-05-409-020-1002
14-05-409-020-1003
14-05-409-020-1004
14-05-409-020-1005
14-05-409-020-1006

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