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SUPPLEMENT TO SECURED CREDIT AGREEMENT -
REAL ESTATE MORTGAGE AND ASSIGNMENT
OF LEASES AND RENTALS DUE THEREUNDER
(Illinois)

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THIS SUPPLEMENT TO SECURED CREDIT AGREEMENT - REAL ESTATE MORTGAGE AND ASSIGNMENT OF LEASES AND RENTALS DUE THEREUNDER ("Mortgage") made this 3 day of February, 1989, by Finson International, Inc., d/b/a Aetna Bearing Company, a Delaware corporation, whose address is 4600 West Schubert Avenue, Chicago, Illinois (hereinafter referred to as "Mortgagor"), and NBD Business Finance, Inc., a Delaware corporation with offices at 8001 Lincoln Avenue, 5th Floor, Skokie, Illinois 60077 (hereinafter referred to as "Lender").

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W I T N E S S E T H:

That this Mortgage is a supplement to a certain Secured Credit Agreement (Accounts Receivable and Inventory) of even date herewith (the "Secured Credit Agreement"), executed by Mortgagor; and

That this Mortgage secures the following:

A. Payment of all indebtedness from time to time owing and the performance and observance of all of the terms, covenants, obligations, agreements and conditions to be performed or observed by Mortgagor under the Secured Credit Agreement, representing a present principal indebtedness of up to \$4,500,000; and

B. Payment of all indebtedness from time to time owing and the performance and observance of all of the terms, covenants, obligations, agreements and conditions to be performed or observed by Mortgagor under that certain Term Note, of even date herewith executed by Mortgagor in favor of, and delivered to, Lender, in a total aggregate principal amount of \$1,500,000; and

C. Payment of all indebtedness from time to time owing and the performance and observance of all of the terms, covenants, obligations, agreements and conditions to be performed or observed by Mortgagor under that certain Equipment and Fixtures Security Agreement of even date herewith executed by Mortgagor in favor of, and delivered to, Lender; and

D. Payment of all indebtedness from time to time owing and the performance and observance of all of the terms, covenants, obligations, agreements and conditions to be performed or observed by Mortgagor under that certain Guaranty, if any, of even date herewith executed by Mortgagor in favor of, and delivered to, Lender; and

E. Payment of all indebtedness from time to time owing and the performance and observance of all of the terms, covenants, obligations,

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agreements and conditions to be performed or observed by Mortgagor under all agreements referred to in or incorporated into any of the instruments described in the preceding paragraphs (all of which, including those instruments described in the preceding paragraphs, are collectively referred to hereinafter as the "Note"); and

F. The performance and observance of all of the terms, covenants, obligations, agreements and conditions to be performed or observed by Mortgagor under the provisions of this Mortgage; and

G. Payment of any and all sums, indebtedness and liabilities of any and every kind now or hereafter owing and to become due from Mortgagor to Lender during the term of this Mortgage, howsoever created, incurred, evidenced, acquired or arising, whether under the Note or this Mortgage or under any other instruments, obligations, contracts, agreements or dealings of any and every kind now or hereafter existing or entered into between Mortgagor and Lender or otherwise and whether direct, indirect, primary, secondary, fixed or contingent, including all present and future indebtedness incurred or arising by reason of any guaranty given to Lender by Mortgagor of present or future indebtedness or obligations of third parties to Lender, and of present and future indebtedness originally owing by Mortgagor to third parties and assigned by such third parties to Lender; and

H. The performance and observance of all of the terms, covenants, obligations, agreements and conditions to be performed or observed by Mortgagor under the provisions of any and all other instruments, obligations, contracts or agreements heretofore entered into, or to be entered into in the future, between Mortgagor and Lender; and

J. Payment of all indebtedness from time to time owing and the performance and observance of all of the terms, covenants, obligations, agreements and conditions to be performed or observed by Mortgagor under all extensions, renewals, amendments and supplements of the Note or of each and every other indebtedness and other obligation described above; and

That the aggregate principal sum of all of the obligations described above (which are collectively referred to hereinafter as the "Mortgage Indebtedness") shall not exceed the sum of \$12,000,000 at any one time owing.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein and made a part hereof, the Mortgagor, to secure the payment of the Note, in order to induce Lender to make the loan hereinbefore described or to accept, extend, renew or temporarily refrain from enforcing payment of the liabilities hereinbefore described, and for the purpose of security as hereinbefore set forth, and the performance of the covenants and agreements herein contained by the Mortgagor to be performed, and also in consideration of the sum of TEN DOLLARS (\$10.00) in hand paid, the receipt

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whereof is hereby acknowledged, does by these presents GRANT, REMISE, SELL, RELEASE, ALIEN, CONVEY, MORTGAGE and WARRANT unto the Lender, its successors and assigns, the following described real estate and all of its estate, right, title and interest therein situate, lying and being in the County of Cook and State of Illinois, more particularly set forth on the:

LEGAL DESCRIPTION ATTACHED HERETO

AND MADE A PART HEREOF AS EXHIBIT A

which, together with the property hereinafter described, is referred to herein as the "Mortgaged Premises";

TOGETHER WITH all right, title and interest which the Mortgagor now has or may hereafter acquire therein or thereto, all and singular the appurtenances, rights, privileges and easements in anyway pertaining thereto, and all right, title and interest of the Mortgagor in and to any adjoining street or alley to the center line thereof;

TOGETHER with all improvements, tenements, hereditaments, easements, privileges, fixtures and appurtenances thereunto belonging, all goods, all equipment, personal property, inventory, supplies, contract rights, management agreements, general intangibles and accounts now or hereafter located thereon, used or useable in connection therewith or arising therefrom and owned by Mortgagor, and all rents, issues, profits, rights, royalties, mineral, oil and gas rights, air rights, water, water rights and water stock thereof and all replacements and additions thereto, for so long and during such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with the real estate and not secondarily), and all right, title and interest of Mortgagor in all shades, awnings, venetian blinds, screens, screen doors, storm doors, windows, built-in appliances, ovens, stoves and ranges, refrigerators, dishwashers, garbage disposals, rubbish removal equipment, fire extinguishing equipment, carports, snow removal equipment, television reception equipment, mail boxes, pumps, swimming pool equipment and supplies, cleaning and other supplies, office and other equipment, all licenses, permits, certificates and franchises issued by State, Federal or local governmental authorities relating to the use and operation of the Mortgaged Premises, all curtain fixtures, partitions and attached floor coverings now or hereafter therein or thereon, and all fixtures, apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing): all fixtures, apparatus, equipment and articles, it being understood that the enumeration of any specific articles of property shall in no way exclude or be held to exclude any items of property not specifically mentioned. All additions to and replacements of the foregoing property and all like or similar property of Mortgagor, now existing or hereafter acquired and used or useable in connection with the

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aforesaid property, shall also be deemed to be subject to this Mortgage. All of the land, estate and property herein described, real, personal and mixed, whether affixed or annexed or not, and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall for the purposes of this Mortgage be deemed to be real estate and conveyed and mortgaged hereby.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion or reversions, remainder or remainders, rents, issues and profits thereof; and also all of the estate, right, title, interest, property, claim and demand whatsoever of Mortgagor, of, in and to the same and of, in and to every part and parcel thereof.

TOGETHER with all right, title and interest of Mortgagor, if any, in and to the land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the above described real estate to the center line thereof.

TOGETHER, with any and all awards or proceeds, including interest thereon, and the right to receive the same, which may be made with respect to the Mortgaged Premises as a result of (a) the exercise of the right of eminent domain, (b) the alteration of the grade of any street, (c) any insured casualty, or (d) any other injury to or decrease in the value of the Mortgaged Premises, to the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award, payment or proceeds by Lender, and of the counsel fees, costs and disbursements incurred by Lender in connection with the collection of such award, payment or proceeds.

TO HAVE AND TO HOLD the Mortgaged Premises, with all of the tenements, hereditaments, easements, appurtenances and other rights and privileges thereunto belonging or in anywise now or hereafter appertaining thereunto, for the use and benefit of Lender.

Mortgagor does hereby covenant, promise and agree to and with Lender, which covenants, promises and agreements shall, to the extent permitted by law, be deemed to run with the land, as follows:

1. This Mortgage is given as security for the performance and observance of the covenants, promises and agreements herein contained and contained in the Note, and to secure to Lender the payment and performance of the Mortgage Indebtedness, and to secure all extensions and renewals thereof, and for the payment of any and all indebtedness, obligations and liabilities whatsoever of Mortgagor to Lender hereunder, under the Note, all as more particularly hereinbefore described.

2. Mortgagor will pay all of the Mortgage Indebtedness to Lender according to the terms of the Note and other instruments or agreements evidencing the Mortgage Indebtedness, and will also pay all other sums

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secured hereby; and will keep and perform all of the covenants, promises and agreements contained in this Mortgage and in the Note.

3. Mortgagor represents and warrants that it has good and indefeasible title to the entire Mortgaged Premises in fee simple and with good right and full power to sell, convey, mortgage and warrant the same; that the Mortgaged Premises are free and clear of all encumbrances, restrictions, liens and encumbrances except as shown on Exhibit B attached hereto; that the Mortgaged Premises, including, but not limited to, any improvements thereon and the use thereof, comply fully, without the benefits of any moratorium, abatement or "grandfather" provision, with all governmental laws, regulations, statutes or ordinances applicable to, binding upon or affecting the use and occupancy of the Mortgaged Premises; and Mortgagor will warrant and defend the Mortgaged Premises and the quiet and peaceful possession of the same against all claims and demands whatsoever. Mortgagor shall not, without the prior written consent of Lender, create, place, suffer or permit to be created or placed or acquiesce in the placing of or allow to remain, whether through any act or any failure to act, any mortgage, pledge, lien (statutory or contractual), security interest, encumbrance, easement, charge or conditional sale or other title retention agreement, regardless of whether the same are expressly subordinate to the lien of this Mortgage against the Mortgaged Premises except as otherwise shown on Exhibit B attached hereto.

4. No building or other improvement on any part of the Mortgaged Premises shall be materially changed or structurally altered without the prior written consent of Lender, and no change in zoning or the use of the Mortgaged Premises shall occur without the prior written consent of Lender, which consent shall not be unreasonably withheld.

5. Mortgagor shall pay when due, and before any interest, collection fees or penalties shall accrue, all real estate taxes, special assessments, water and sewer charges or other governmental charges and impositions levied or assessed with respect to the Mortgaged Premises or any part thereof; provided, however, that if special assessments are paid in installments, Mortgagor may pay such installments before penalty or interest shall accrue or attach. Should Mortgagor fail to pay such taxes, special assessments (or installments), water and sewer charges or other governmental charges or impositions, Lender may, at its option, pay the same for the account of Mortgagor. All such payments and advances, together with the costs related thereto, including attorneys' fees, shall be added to the Mortgage Indebtedness. Mortgagor shall have the right to contest in good faith any of such taxes, assessments, charges and governmental charges and impositions upon posting with Lender sufficient security satisfactory to Lender, for the payment thereof, with interest, costs and penalties, under written agreement conditioning payment of such contested taxes, assessments, charges, and governmental charges and impositions upon the determination of such contest or prior thereto if the continuance of such contest shall put the Mortgaged Premises in jeopardy of tax sale or forfeiture.

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6. Mortgagor shall also pay any and all other obligations, liabilities or debts which may become liens, easements, security interests or encumbrances upon or charges against the Mortgaged Premises for any repairs or improvements that are now or may hereafter be made thereon, and shall not permit any lien, easement, security interest, encumbrance or charge of any kind to accrue or remain outstanding against the Mortgaged Premises or any part thereof, or any improvements thereon except for liens permitted in writing by Lender. Notwithstanding anything to the contrary in this Mortgage, Mortgagor shall have the right to contest in good faith, and by appropriate procedures, the existence or claim of any lien or encumbrance which is contested in good faith by Mortgagor and if Mortgagor shall bond off the lien as provided by law or provide to Lender security which is deemed reasonably satisfactory to Lender within thirty (30) days of the existence or claim of such lien.

7. Mortgagor will keep the Mortgaged Premises and all the improvements thereon and all personal property used in connection therewith in good order and repair, and Mortgagor expressly agrees that it will not do or permit waste on said Mortgaged Premises, nor do any other act whereby the Mortgaged Premises hereby conveyed will become less valuable or the lien hereby may be impaired. Should Mortgagor fail to effect the necessary repairs, Lender may, at its option, make such repairs for the account of Mortgagor either upon: (a) written notice and failure of Mortgagor to effect or begin such repairs within thirty (30) days of such notice, or (b) immediately if Lender determines that such action is necessary to avoid injury or harm to any person or property, or an immediate loss in value of the Mortgaged Premises.

8. Until the Mortgage Indebtedness secured hereby is fully paid, all buildings and improvements upon the Mortgaged Premises and all fixtures, equipment and property therein contained or installed shall be kept unceasingly insured against loss and damage by such hazards, casualties and contingencies in such amounts and for such periods as may from time to time be reasonably required by Lender. All policies of insurance shall be written in standard policies and by insurance companies approved by Lender. All policies of insurance and renewals thereof shall have attached thereto standard noncontributory mortgagee clauses acceptable to Lender, which shall provide that such coverage cannot be terminated or modified in any material respect as to Lender, except upon thirty (30) days written notice to Lender. All such policies or true copies thereof shall, with receipts showing all premiums fully paid or evidence that credit has been provided with respect to the payment of such premiums, be delivered to Lender as issued at least thirty (30) business days before the expiration of old policies and shall be held by Lender until all sums hereby secured are fully paid. In case of sale pursuant to a foreclosure of this Mortgage or other transfer of title to the Mortgaged Premises and extinguishment of the indebtedness secured hereby, complete title to all policies held by Lender and to all prepaid or unearned premiums thereon shall pass to and vest in the purchaser or grantee. Lender shall not by reason of accepting, rejecting, approving or obtaining insurance incur any liability for payment of losses.

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Without in any way limiting the generality of the foregoing, Mortgagor covenants and agrees to maintain insurance coverage on the Mortgaged Premises to include:

(a) Fire and extended coverage insurance (including vandalism, malicious mischief, and sprinkler leakage) for an amount equal to the full replacement cost of the improvements to the Mortgaged Premises. If at any time a dispute arises with respect to replacement cost, Mortgagor agrees to provide at Mortgagor's expense an insurance appraisal prepared by an insurance appraiser approved by Lender establishing the full replacement cost in a manner satisfactory to the insurance carrier.

(b) Comprehensive General Public Liability and Property Damage Insurance for an amount not less than FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00) combined single limit for claims arising from any accident or occurrence in or upon the Mortgaged Premises.

(c) Flood insurance to the extent required by law and/or whenever in the opinion of Lender such protection is necessary and is available.

Mortgagor shall not take out separate insurance concurrent in form or in the event of loss with that required to be maintained hereunder unless Lender is included thereon under a standard mortgagee clause reasonably acceptable to Lender. Mortgagor shall immediately notify Lender whenever any such separate insurance is taken out and shall promptly deliver to Lender the policy or policies of such insurance.

Should Mortgagor fail to insure or fail to pay the premiums thereon, or fail to deliver the policies or renewals thereof as provided above, Lender, at its option, may have such insurance written or renewed and pay the premiums thereon for the account of Mortgagor. Lender will give notice to Mortgagor within thirty (30) days of paying premiums for the account of Mortgagor. Such premiums may be payable by Lender in installments.

Lender is hereby appointed by Mortgagor as agent and attorney-in-fact of Mortgagor, to assign any policy to itself or its nominee in the event of foreclosure of this Mortgage, or other extinguishment of the Mortgage Indebtedness, except upon payment in full thereof. This appointment, being coupled with an interest, is irrevocable by Mortgagor so long as any Mortgage Indebtedness remains outstanding.

Mortgagor shall also provide for the benefit of Mortgagor and Lender such other insurance as Lender may reasonably require in connection with the Mortgaged Premises and the operations thereon, including, without limitation, worker's compensation insurance if required by law.

Mortgagor shall provide, for the benefit of Lender and deliver to Lender, a mortgagee's policy of title insurance in an original amount acceptable to Lender, together with abstracts of title or comparable

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evidence of title, Torrens Certificates, if any, and all other evidence of title to the Mortgaged Premises, all of which shall be held by Lender and, in the event of a foreclosure of this Mortgage or transfer of title to the Mortgaged Premises in satisfaction or partial satisfaction of the Mortgage Indebtedness, shall become the absolute property of Lender.

9. In cases of loss or damage by fire or other casualty, Lender is authorized (a) to settle and adjust any claim under insurance policies which insure against such risks, or (b) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, Lender is authorized to collect and receipt for any such insurance money. All such insurance proceeds shall be held by Lender to reimburse Mortgagor for the restoration, repair, replacement or rebuilding of the Mortgaged Premises or, at Lender's option, to and in reduction of the Mortgage Indebtedness secured by this Mortgage whether or not then due; provided, however, that if Lender permits insurance proceeds to be applied to restoration, repair, replacement or rebuilding of the Mortgaged Premises, such proceeds shall be subject to the imposition by Lender of such reasonable construction loan disbursement safeguards as Lender may reasonably require to insure the lien-free completion of such restoration, repair, replacement or rebuilding. Lender shall be reimbursed for all expenses in handling such insurance proceeds. Mortgagor agrees to execute and deliver, from time to time, such instruments as may be requested by Lender to confirm the assignment to Lender of any award, payment or proceeds as provided in this Mortgage.

10. Mortgagor hereby assigns, transfers and sets over unto Lender the entire proceeds of any award or any claim for damages for any of the Mortgaged Premises taken or damaged under the power of eminent domain or by condemnation. Mortgagor agrees to execute and deliver, from time to time, such instruments as may be requested by Lender to confirm such assignment to Lender of any such award, payment or proceeds. In case of loss or damage by condemnation, Lender is authorized, in its sole discretion (a) to settle and adjust any claim or award with respect thereto, or (b) to allow Mortgagor to settle and adjust the amount of the award to be paid with respect thereto with the governmental authority required to make such payment. In either case, Lender is authorized to collect and receipt for such proceeds of such condemnation award. Any award or payment so received by Lender will be held by Lender to reimburse Mortgagor for reconstruction and repair of the Mortgaged Premises or, at Lender's option, to the payment of the Mortgage Indebtedness secured hereby, whether or not then due. If Lender permits such proceeds to be applied to restoration, repair, replacement or rebuilding of the Mortgaged Premises, such proceeds shall be subject to such construction loan disbursement safeguards as Lender shall reasonably require. Lender shall be reimbursed for all expenses in handling said proceeds.

11. (a) Upon the written request of Lender, Mortgagor shall pay to Lender with such depository ("Depository") as Lender may from time to time in writing appoint, and in the absence of such appointment, then at

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the office of Lender at the address aforesaid until the Mortgage Indebtedness secured by this Mortgage is fully paid, a sum equal to one-twelfth (1/12th) of the last total annual taxes, assessments (general and special) and insurance premiums for the last ascertainable year on the Mortgaged Premises (unless said taxes or insurance premiums are based upon assessments or evaluations which exclude the improvements or any part thereof now constructed or to be constructed, in which event the amount of such deposits shall be based upon Lender's reasonable estimate as to the amount of taxes and assessments to be levied and assessed and insurance premiums that will be required). Such deposits are to be used *pro tanto* for the payment of taxes and assessments (general and special) on the Mortgaged Premises and insurance premiums next due and payable when they become due. If the sums so deposited are insufficient to pay any such taxes or assessments (general and special) or insurance premiums for any year when the same shall become due and payable, Mortgagor shall, within ten (10) days after receipt of demand therefor, deposit such additional funds as may be necessary to pay such taxes and assessments (general and special) and insurance premiums in full. If the funds so deposited exceed the amount required to pay such taxes and assessments (general and special) and insurance premiums for any year, the excess shall be applied on a subsequent deposit or deposits. These deposits need not be kept separate and apart and no interest shall be paid on these deposits.

Anything in this Paragraph 11(a) to the contrary notwithstanding, if the funds so deposited are insufficient to pay any such taxes or assessments (general and special) or insurance premiums or any installment thereof, Mortgagor will, not later than the thirtieth (30th) day prior to the last day on which the same may be paid without penalty or interest, deposit with such Depository the full amount of any such deficiency.

If any such taxes or assessments (general and special) shall be levied, charged, assessed or imposed upon or for the Mortgaged Premises, or any portion thereof, and if such taxes or assessments shall also be a levy, charge, assessment or imposition upon or for any other premises not covered by the lien of this Mortgage, then the computation of any amount to be deposited under this Paragraph 11(a) shall be based upon the entire amount of such taxes or assessments, and Mortgagor shall have the right to apportion the amount of any such taxes or assessments, on an equitable basis, for the purposes of such computation.

(b) From and after the occurrence of any event of default by Mortgagor hereunder or under the Note, after the expiration of any applicable notice, grace or cure period, Mortgagor shall, at Lender's request, pay to Lender with such Depository as Lender may from time to time in writing appoint, and in the absence of such appointment, then at the office of Lender at the address aforesaid on the date specified by Lender, such amounts as are necessary to insure for the adequate maintenance, repair or replacement of personal property, fixtures and

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equipment owned and used by Mortgagor at the Mortgaged Premises. The amount required to be deposited under this Paragraph 11(b) may be based upon appraisals, assessments, estimates, depreciation schedules or the reasonable estimate of Lender, which formula to be used by Lender shall be selected by Lender in its sole discretion. Such deposits need not be kept separate and apart and no interest shall be paid on such deposits.

(c) Mortgagor shall make the deposits required under this Paragraph 11 upon receipt of written notice from Lender.

(d) In the event of a default (after the passage of any applicable notice, grace or cure period) in any of the provisions contained in this Mortgage or the Note secured hereby, Lender may at its option, without being required to do so, apply any monies at the time on deposit pursuant to this Paragraph 11 on any of Mortgagor's obligations herein or in the Note contained, in such order and manner as Lender may elect. When the Mortgage Indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the Mortgaged Premises. A security interest within the meaning of the Illinois Uniform Commercial Code is hereby granted to Lender in and to any monies at any time on deposit pursuant to this Paragraph 11 and all such monies and all of Mortgagor's right, title and interest therein are hereby assigned to Lender, all as additional security for the indebtedness hereunder and shall, in the absence of default hereunder, be applied by Lender for the purposes for which such monies shall have been deposited hereunder and shall not be subject to the direction or control of Mortgagor; provided, however, that neither Lender nor the Depository shall be liable for any failure to apply to the payment of the particular taxes, assessments and insurance premiums any amount so deposited unless Mortgagor, while not in default hereunder, shall have requested the Depository in writing to make application of such funds to the payment of the particular taxes, assessments and insurance premiums for payment of which they were deposited, accompanied by the bills for such taxes, assessments and insurance premiums. Lender shall not be liable for any act or omission taken in good faith or pursuant to the instruction of any party, but only for its own gross negligence or willful misconduct. The deposits under this Paragraph 11 need not be segregated by the Depository and they shall not bear interest.

12. The failure of Mortgagor to pay any taxes or assessments assessed against the Mortgaged Premises or any installment thereof, or any premiums payable with respect to any insurance policy covering the Mortgaged Premises, shall constitute waste. Mortgagor hereby consents to the appointment of a receiver should Lender elect to seek such relief in order to prevent or lessen any waste.

13. Mortgagor shall pay to Lender, upon demand, all sums expended by Lender for:

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- (a) The payment of taxes and insurance premiums;
- (b) The maintenance, repair, improvement or upkeep of the Mortgaged Premises, whether expended by Lender or any receiver appointed at the request of Lender;
- (c) The defense of the lien of this Mortgage as a first lien against the Mortgaged Premises;
- (d) The discharge of any lien or encumbrance affecting the Mortgaged Premises which shall be or are alleged to be superior to the lien of this Mortgage;
- (e) The curing of any default of Mortgagor under any prior encumbrance upon or in regard to any portion of the Mortgaged Premises or under any lease or other agreement covering the Mortgaged Premises;
- (f) The curing of any default of Mortgagor hereunder or under the Note; or
- (g) All other expenditures made by Lender under this Mortgage.

All such expenditures as shall be made by Lender hereunder or pursuant to any other provision of this Mortgage or the Note, including any attorneys' fees incurred by Lender in connection with the foregoing, shall be secured by this Mortgage, and shall bear interest at the highest rate of interest set forth in the Note from the date of disbursement by Lender to the date of repayment.

14. In the event any tax shall be due or become due and payable to the United States of America, the State of Illinois, or any political subdivision thereof with respect to the execution and delivery or recordation of this Mortgage, the Note, or any other instrument or agreement evidencing or securing repayment of the Mortgage Indebtedness or the interest of Lender in the Mortgaged Premises, Mortgagor shall pay such tax at the time and in the manner required by applicable law, and Mortgagor shall hold Lender harmless and shall indemnify Lender against any liability of any nature whatsoever as a result of the imposition of any such tax; provided, however, if it shall be unlawful for Mortgagor to pay such tax or to reimburse Lender for such tax, or if it shall render the interest charged Mortgagor usurious or otherwise unlawful, then Lender may, at its option, upon written notice to Mortgagor, require the entire unpaid balance of the Mortgage Indebtedness to be paid in full, notwithstanding anything contained in the Note or any other instrument or agreement evidencing or securing the Mortgage Indebtedness to the contrary, these provisions shall specifically override any contrary provisions in the Note or such other instruments and agreements.

15. Mortgagor does hereby sell, assign, transfer and set over to Lender all of its right, title and interest in and to all lease, tenancy,

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occupancy, use, sale or license agreements (hereinafter collectively referred to as "leases"), existing as of the date hereof, if any, or hereinafter executed, covering all or any part of the Mortgaged Premises, together with any and all extensions and renewals of any of the leases, and also together with any and all guarantees of the lessee's obligations under the leases, and any and all extensions and renewals thereof, the rents, issues, profits and proceeds now owing or which shall hereafter become owing by virtue of all of the leases and all extensions, amendments and renewals thereof, and all moneys payable thereunder, to have and to hold unto Lender as security for the Mortgage Indebtedness. So long as no event of default has occurred under the Note or this Mortgage, Mortgagor shall have the right to manage and operate the Mortgaged Premises and to collect, receive and apply for its own account all rents, issues and profits arising from the leases. This assignment shall continue and remain in full force and effect during any foreclosure proceedings relating to this Mortgage and the period of redemption, if any, and until all sums secured by this Mortgage, together with interest thereon, shall have been paid in full. In the event of any default hereunder or under the Note, Lender shall have the full right and power to collect the assigned rents, issues, profits and proceeds by demand, suit or otherwise. All monies received by Lender pursuant to this assignment shall be applicable at the option of Lender in the manner hereinafter provided for the use of such funds if paid to a receiver appointed to manage the Mortgaged Premises or in the manner hereinafter provided for the application of proceeds from sale of the Mortgaged Premises in the event of a foreclosure. Mortgagor will not, without Lender's prior written consent, make any lease of the Mortgaged Premises or modify existing leases.

Mortgagor will not, without Lender's prior written consent, (a) execute an assignment or pledge any rents of the Mortgaged Premises and/or any leases of the Mortgaged Premises, or (b) accept any prepayment of any installment of any rents more than thirty (30) days before the due date of such installment.

Mortgagor at its sole cost and expense will (a) at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in all leases of the Mortgaged Premises, on the part of the landlord thereunder to be kept and performed; (b) enforce or secure the performance of all of the covenants, conditions and agreements of such leases on the part of the lessees to be kept and performed; (c) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with such leases or the obligations, duties or liabilities of the landlord or of the lessees thereunder; (d) in furtherance of the rights granted to Lender herein, execute and deliver to Lender, upon written request of Lender, a written assignment of any specific lease or leases of the Mortgaged Premises heretofore or hereafter entered into, and make, execute and deliver to Lender, upon demand, any and all instruments required to effectuate this assignment; (e) furnish Lender, within ten (10) days after a request by Lender to do so, a written statement containing the names of all lessees,

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terms of all leases of the Mortgaged Premises, including the spaces occupied, and the rentals payable thereunder; and (f) enter into no new or future leases with respect to the Mortgaged Premises except upon approval by Lender, which approval shall not be unreasonably withheld, make no amendments or extensions of any existing leases, consent to no lease assignments or subleases, waive no lease terms, terminate any lease, and accept surrender of no leases, without Lender's prior written consent, which consent shall not be unreasonably withheld.

Nothing in this Mortgage or in any other documents relating to the Note secured hereby shall be construed to obligate Lender, expressly or by implication, to perform any of the covenants of Mortgagor as landlord under any of the leases assigned to Lender or to pay any sum of money or damages therein provided to be paid by the landlord, each and all of which covenants and payments Mortgagor agrees to perform and pay.

In the event of the enforcement by Lender of the remedies provided for by law or by this Mortgage, the lessee under each lease of the Mortgaged Premises shall, at the option of Lender, attorn to any person succeeding in interest as landlord under such lease without change in the terms or other provisions thereof; provided, however, that such successor in interest shall not be bound by any payment of rent or additional rent for more than one (1) month in advance or any amendment or modification to any lease made without the consent of Lender or such successor in interest. Each lessee, upon request by such successor in interest, shall execute and deliver an instrument or instruments confirming such attornment.

It is covenanted and agreed that a default (after applicable notice and cure provisions) under any separate Assignment of Rents given as security for the payment of the Note secured hereby shall constitute a default hereunder on account of which the whole of the indebtedness secured hereby may be accelerated pursuant to the terms hereof.

16. The following occurrences shall be deemed events of default hereunder, and shall entitle Lender to exercise its remedies hereunder or as otherwise provided by law:

(a) Failure by Mortgagor to pay or perform any obligation of Mortgagor to Lender hereunder or under the Note, at the time and in the manner required herein or therein (with any additional time to cure with respect to non-monetary defaults as provided in the Note).

(b) Any default under, or institution of foreclosure or other proceedings to enforce, any prior or junior mortgage, land contract, security interest, lien or encumbrance of any kind upon the Mortgaged Premises or any portion thereof.

(c) Appointment by a court of competent jurisdiction of a receiver, custodian, liquidator or trustee of Mortgagor, or for any property of Mortgagor.

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(d) Consent by Mortgagor to the appointment of a receiver, custodian, trustee or liquidator for Mortgagor, or for any assets of Mortgagor.

(e) The issuance of an order for relief under the Bankruptcy Code against the Mortgagor, or if Mortgagor is adjudicated insolvent or sequesters any of its assets.

(f) The filing of a petition against Mortgagor in bankruptcy, or for an arrangement or for reorganization of Mortgagor pursuant to the Federal Bankruptcy Code or any other similar applicable statute as now or hereafter in effect.

(g) The filing by Mortgagor of a voluntary petition under any provision of any bankruptcy or insolvency law, state or federal.

(h) Consent by Mortgagor to the filing of any bankruptcy, arrangement or reorganization petition against Mortgagor under any bankruptcy or insolvency law, state or federal.

(i) An assignment by Mortgagor for the benefit of creditors, or a written admission by Mortgagor of its inability to pay debts generally as they become due.

(j) The sale, transfer, assignment, exchange, conveyance or any other disposition of the Mortgaged Premises or any portion thereof without the prior written consent of Lender; any pledge, encumbrance, assignment, hypothecation or grant of security interest in the Mortgaged Premises or any portion thereof without the prior written consent of Lender; any lease of the Mortgaged Premises except as otherwise provided in this Mortgage.

(k) any transfer, conveyance, disposition, encumbrance, pledge or mortgage of any interest in the Mortgaged Premises by an entity having an interest in the Mortgaged Premises except for transfers which are expressly permitted by the terms of this Mortgage.

17. Immediately upon the occurrence of any of the events of default referred to in Paragraph 16 hereof (after the passage of any applicable notice and cure period), Lender shall have the option, in addition to and not in lieu of or substitution for all other rights and remedies provided by law, to do any or all of the following:

(a) Declare the entire unpaid amount of the Mortgage Indebtedness, together with accrued and unpaid interest thereon, and any and all charges payable by Mortgagor to Lender pursuant to this Mortgage, the Note or otherwise, immediately due and payable and collect the same at once by foreclosure or otherwise.

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(b) Cause to be brought down to date an abstract or abstracts and tax histories of the Mortgaged Premises, procure title insurance, title reports, or, if necessary, procure new abstracts and tax histories.

(c) Either with or without process of law, forcibly or otherwise, enter upon and take immediate possession of the Mortgaged Premises, expel and remove any persons, goods or chattels occupying or upon the same, receive all rents, and issue receipts therefor, manage, control and operate the Mortgaged Premises as fully as Mortgagor might do if in possession thereof, including, without limitation, the making of all repairs and replacements deemed necessary by Lender and the leasing of the same, or any part thereof, from time to time, and, after deducting all attorneys' fees and all costs and expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Premises, apply the remaining net income, if any, to the Mortgage Indebtedness or to any other of Mortgagor's liabilities or upon any deficiency decree entered in any foreclosure proceeding. At the option of Lender, 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 Lender. Mortgagor agrees to surrender possession of the Mortgaged Premises to Lender immediately upon the occurrence of an event of default. If Mortgagor shall remain in physical possession of the Mortgaged Premises, or any part thereof, after any such event of default, such possession shall be as a tenant at sufferance of Lender, and Mortgagor agrees to pay to Lender, or to any receiver appointed as provided below, after such default, a reasonable monthly rental for the Mortgaged Premises, or the part thereof so occupied by Mortgagor, to be applied as provided above in the first sentence of this subparagraph, 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 Premises, the reasonable monthly rental shall be in amounts established by Lender in its sole discretion. This covenant shall be effective irrespective of whether any foreclosure proceeding shall have been instituted and irrespective of any application for, or appointment of, a receiver.

(d) File one or more suits at law or in equity for the full foreclosure of this Mortgage or to collect the Mortgage Indebtedness or any other of Mortgagor's liabilities. Lender, at its option, shall also have the right to institute foreclosure procedures only with respect to a portion of the Mortgage Indebtedness or the Mortgaged Premises (such partial proceedings hereinafter referred to as "Partial Foreclosure"). Mortgagor agrees that a sale pursuant to a Partial Foreclosure, if so made, shall not in any manner affect the remainder of the Mortgage Indebtedness, but as to such remainder, this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been held under the provisions of this

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Paragraph 17(d). Notwithstanding the filing of any Partial Foreclosure or entry of a decree of sale therein, Lender may elect at any time prior to a foreclosure sale pursuant to such decree, to discontinue such Partial Foreclosure and to accelerate the entire Mortgage Indebtedness by reason of an event of default upon which such Partial Foreclosure was predicated by reason of any other event of default, and proceed with full foreclosure proceedings. It is further agreed that several foreclosure sales may be made pursuant to Partial Foreclosure without exhausting the right of full or Partial Foreclosure sale for any remainder of the Mortgage Indebtedness, it being the purpose hereof to provide for a Partial Foreclosure sale of the Mortgage Indebtedness without exhausting the power to foreclose and sell the Mortgaged Premises pursuant to any such Partial Foreclosure or for any other part of the Mortgage Indebtedness whether matured at the time or subsequently maturing, without exhausting any right of acceleration in full foreclosure.

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 Premises subsequent to the date of this Mortgage, does hereby agree that when sale is had under any decree of foreclosure of this Mortgage, upon confirmation of such sale, the master in chancery 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 Mortgaged Premises (or portion thereof subjected to foreclosure proceedings), showing the amount paid therefor, or if purchased by the person in whose favor the order or decree was entered, the amount of his bid therefor.

(e) In the event of the commencement of any such suit by Lender, Lender shall have the right, either before or after sale, without notice and without requiring bond (notice and bond being hereby waived), without regard to the solvency or insolvency of Mortgagor at the time of application and without regard to the then value of the Mortgaged Premises or whether the same is then occupied, to make application for and obtain the appointment of a receiver for the Mortgaged Premises. Such receiver shall have the power to collect the rents during the pendency of such suit and, in case of a sale and a deficiency, during the full statutory period of redemption, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect the rents, and shall have all other powers which may be necessary or usual in such cases for the protection, possession, control, management and operation of the Mortgaged Premises. The court before which such suit is pending may from time to time authorize the receiver to apply the net income in his hands in payment, in whole or in part, of the Mortgage Indebtedness or any other of Mortgagor's liabilities. In case of a sale pursuant to foreclosure, the premises may be sold as one parcel.

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(f) Upon the occurrence of any event of default, Lender is hereby authorized and empowered to grant, bargain, sell, release and convey the Mortgaged Premises, pursuant to a power of sale contained herein, either in whole or in parcels, at public auction or vendue, and to execute and deliver to the purchaser or purchasers at such sale good and sufficient deeds of conveyance in law, pursuant to the statute of the State of Illinois in such case made and provided, and apply the proceeds of such sale in the manner set forth in Paragraph 21 hereof. If the Mortgaged Premises consists of more than one parcel, Lender shall be under no duty to marshal its lien with respect to the various parcels. To the extent provided by law, this Mortgage contains a power of sale.

(g) 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 Uniform Commercial Code of the State of Illinois), accruing to a Lender and/or secured party upon a default by a Mortgagor and/or debtor or otherwise available at law or in equity or under the other agreements.

18. Mortgagor hereby voluntarily, intelligently and knowingly waives all rights under the constitution and laws of the United States and under the constitution of the State of Illinois to all notices and to a hearing prior to sale in connection with the foreclosure by advertisement contained in Paragraph 17(f) hereof, except as set forth in any Illinois statute providing for foreclosure by advertisement or pursuant to power of sale.

19. Upon the occurrence of an event of default under this Mortgage, there will be added to and included as part of Mortgagor's liabilities (and allowed in any decree for sale of the Mortgaged Premises or in any judgment rendered upon this Mortgage or the Note) the following: all of the costs and expenses of taking possession of the Mortgaged Premises and of the holding, using, leasing, maintaining, repairing, improving and selling the same, including, without limitation, the costs, charges, expenses and attorneys' fees specified in Paragraph 20 hereof; receiver's fees; any and all expenditures which may be paid or incurred by or on behalf of Lender for appraisers' fees, documentary and expert evidence, stenographers' charges, publication costs, fees and expenses for examination of title, title searches, guaranty policies, Torrens certificates and similar data and assurances with respect to the title to the Mortgaged Premises; all prepayment or like premiums, if any, provided for in the Note; and all other fees, costs and expenses which Lender deems necessary to prosecute any remedy it has under this Mortgage, or to inform bidders at any sale which may be had pursuant to its rights hereunder, of the true condition of title to or of the value of the Mortgaged Premises. All such costs, charges, expenses, fees and other expenditures shall be a part of Mortgagor's liabilities, secured by this Mortgage, payable on demand and shall bear interest at the highest rate set forth in the Note (upon monies due after a default thereunder) from the date of Lender's payment thereof until repaid to Lender.

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20. If foreclosure proceedings are instituted upon this Mortgage, or if Lender shall be a party to, shall intervene, or file any petition, answer, motion or other pleading in any suit or proceeding relating to this Mortgage, the Note, the other agreements, or Mortgagor's liabilities, or if Lender shall incur or pay any expenses, costs, charges or attorneys' fees by reason of the employment of counsel for advice with respect to this Mortgage, the Note, the other agreements, or Mortgagor's liabilities, and whether in court proceedings or otherwise, such expenses and all of Lender's reasonable attorneys' fees shall be part of Mortgagor's liabilities, secured by this Mortgage, payable on demand and shall bear interest at the rate provided for in the Note from the date of Lender's payment thereof until repaid to Lender.

21. The proceeds of any foreclosure sale of the Mortgaged Premises (whether such foreclosure is by court action or by advertisement) shall be applied and distributed, firstly, on account of the fees, charges, costs and expenses described in Paragraph 19 hereof, secondly, to the balance of the Mortgage Indebtedness and any other of Mortgagor's liabilities to Lender, and thirdly, the surplus, if any, to Mortgagor or as required to be disbursed by law.

22. To the fullest extent permitted by law, Mortgagor hereby irrevocably and unconditionally waives and releases (a) all benefits that might accrue to Mortgagor, or any person by, through or under Mortgagor or acquiring any interest in the Mortgaged Premises, by virtue of any present or future law exempting the Mortgaged Premises or any part thereof from attachment, levy or sale on execution or providing for any homestead exemption, moratorium, valuation, stay of execution, exemption from civil process, rights of redemption or extension of time for payment; (b) all notices of Lender's election to exercise or its actual exercise of any right, remedy or recourse provided for under the Note after the passage of any applicable notice and cure period; and (c) any right to a marshalling of assets or a sale in inverse order of alienation. Mortgagor does hereby waive (to the full extent permitted under Illinois law) any and all statutory or equitable rights of redemption from sale by advertisement or sale under any order or decree of foreclosure of this Mortgage.

23. Lender shall have the right from time to time to sue for any sums, whether interest, principal or any other sums required to be paid by or for the account of Mortgagor under the terms of this Mortgage or the Note, as the same become due under the Note or this Mortgage and for any other of Mortgagor's liabilities which shall become due, without prejudice to the right of the Lender thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Mortgagor existing at the time such earlier action was commenced.

24. In the event ownership of the Mortgaged Premises or any part thereof becomes vested in any other party other than Mortgagor, Lender may, without notice to Mortgagor, declare the Mortgage Indebtedness immediately due and payable, or Lender may deal with such successor or successors in

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Interest with reference to this Mortgage, in the same manner as with Mortgagor, without in any way releasing, discharging or otherwise affecting the liability of Mortgagor hereunder, or for the Mortgage Indebtedness hereby secured. No sale of the Mortgaged Premises, no forbearance on the part of Lender, no extension of the time for the payment of the Mortgage Indebtedness or any change in the terms thereof consented to by Lender, shall, in any way whatsoever, operate to release, discharge, modify, change or affect the original liability of Mortgagor herein, either in whole or in part, nor shall the full force and effect of this lien be altered thereby.

25. Mortgagor does hereby expressly waive and renounce the benefit of all laws now existing or that may hereafter be enacted requiring the appraisal of the Mortgaged Premises before any sale thereof pursuant to foreclosure proceedings. Upon any foreclosure sale of the Mortgaged Premises, the same may be offered for sale in its entirety, or in parcels, or both, at the election of Lender, and, if offered in parcels, the same may be divided as Lender may elect. Mortgagor hereby waives the right to require any such sale to be made in parcels, or the right to select such parcels or to have any court of competent jurisdiction set a minimum bid price for the Mortgaged Premises or any part thereof.

26. If any provision hereof is in conflict with any statute or rule of law of the State of Illinois, or is otherwise unenforceable for any reason whatsoever, then such provision shall be deemed null and void to the extent of such conflict of unenforceability, and shall be deemed separate from, but shall not invalidate, any other provisions of this Mortgage.

27. No waiver by Lender of any right or remedy granted hereunder shall affect or extend to any other right or remedy of Lender hereunder, nor affect the subsequent exercise of the same right or remedy by Lender for any further or subsequent default by Mortgagor hereunder, and all such rights and remedies of Lender hereunder are cumulative.

28. Mortgagor shall execute, acknowledge and deliver any and all such further acts, conveyances, documents, mortgages and assurances as Lender may reasonably require for accomplishing the purpose hereof forthwith upon the request of Lender, whether in writing or otherwise.

29. Mortgagor and Lender agree that this Mortgage shall also constitute a Security Agreement within the meaning of the Illinois Uniform Commercial Code (hereinafter referred to as the "Code") with respect to all moneys on deposit with Lender pursuant to this Mortgage ("Deposits") and with respect to any property described in this Mortgage, which property may not be deemed to form a part of the real estate described in Exhibit A or may not constitute a "fixture" (within the meaning of the Code), including all equipment and inventory of Mortgagor now existing and hereafter acquired, and all replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof (said property and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter in this Paragraph 29 collectively referred to as

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the "Collateral"), and that a security interest in and to the Collateral and the Deposits is hereby granted to Lender and all of Mortgagor's right, title and interest therein are hereby assigned to Lender, all to secure payment of the Mortgage Indebtedness and to secure performance by Mortgagor of the terms, covenants and provisions hereof. In the event of a default under this Mortgage, Lender, pursuant to the appropriate provisions of the Code, shall have the option of proceeding with respect to the Collateral in accordance with its rights and remedies with respect to the real property, in which event the default provisions of the Code shall not apply. The parties agree that, in the event Lender shall elect to proceed with respect to the Collateral separately from the real property, fifteen (15) days' notice of the sale of the Collateral shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Lender shall include, but not be limited to, attorneys' fees and legal expenses incurred by Lender. Mortgagor agrees that, without the written consent of Lender, Mortgagor will not remove or permit to be removed from the Mortgaged Premises any of the Collateral. Mortgagor shall, from time to time, on request of Lender, deliver to Lender an inventory of the Collateral in reasonable detail. Mortgagor covenants and represents that all Collateral, and all replacements thereof, substitutions therefor and additions thereto are now and will be free and clear of liens, encumbrances or security interests of others. Mortgagor shall, upon demand, execute and deliver to Lender such financing statements and other documents in form satisfactory to Lender, and will do all such acts and things as Lender may at any time, or from time to time, reasonably request or as may be necessary or appropriate to establish and maintain a first perfected security interest in the Deposits and Collateral, subject to no liens, encumbrances or security interests other than the matters set forth in Exhibit B.

30. Any designation contained herein, or in the Note, which authorizes Lender to act on behalf of Mortgagor as its attorney, agent or attorney-in-fact, shall be deemed a power coupled with an interest, and shall not be revocable so long as the Mortgage Indebtedness shall not have been satisfied.

31. Any notice which Lender may give or is required to give under this Mortgage shall be delivered as provided in the Note.

32. Mortgagor shall immediately deliver to Lender copies of all notices received by it from any holders of any prior or junior mortgages, land contracts, security interests, liens or encumbrances of any kind upon or affecting the Mortgaged Premises or any portion thereof. Lender shall have the right to inspect the Mortgaged Premises at all reasonable times during business hours and access thereto shall be permitted for that purpose.

33. This Mortgage shall include each and every one of the terms and conditions of the Note, which are hereby incorporated herein by reference. It is specifically agreed between Mortgagor and Lender that a default by Mortgagor under said Note shall be a default hereunder, and under all other loan documents in connection therewith.

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34. (a) Mortgagor represents, warrants and covenants that Mortgagor has not used Hazardous Materials (as defined below) on, from or affecting the Mortgaged 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 Mortgagor's knowledge, no prior owner of the Mortgaged Premises or any existing or prior tenant, sub-tenant or occupant of the Mortgaged Premises has used Hazardous Materials on, from or affecting the Mortgaged 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.

(b) Mortgagor represents, warrants and covenants that Mortgagor has never received any notice or 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 Mortgaged Premises and, to the best of Mortgagor's knowledge, there have been no actions commenced or threatened by any party for non-compliance which affects the Mortgaged Premises.

(c) Mortgagor shall only use Hazardous Materials in the ordinary course of its business at the Mortgaged Premises and such use shall not in any manner violate federal, state or local laws, ordinances, rules, regulations or policies governing such use. Mortgagor shall not cause or permit the Mortgaged Premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process Hazardous Materials. In addition, Mortgagor shall not cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor, any tenant, sub-tenant or occupant the release of Hazardous Materials onto the Mortgaged Premises or onto to any other property.

(d) Mortgagor shall conduct and complete all investigations, studies, sampling and testing, and all removal and other actions necessary to clean up and remove all Hazardous Materials on, under, from or affecting the Mortgaged Premises if required by and in accordance with all applicable federal, state and local laws, ordinances, rules, regulations and policies to the satisfaction of Lender in accordance with the orders and directives of all federal, state and local governmental authorities.

(e) Mortgagor shall indemnify, defend and hold harmless Lender, its employees, agents, officers and directors from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, including the attorney fees, fees of environmental consultants and laboratory fees, known or

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unknown, contingent or otherwise, arising out of or in any way related to (i) the presence, disposal, release or threatened release of any Hazardous Materials on, over, under, from or affecting the Mortgaged Premises or the soil, water, vegetation, buildings, personal property, persons or animals thereon; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (iii) any lawsuit brought or threatened, settlement reached or governmental order relating to such Hazardous Materials with respect to the Mortgaged Premises and/or (iv) any violation of laws, orders, regulations, requirements or demands of government authorities or any policies or requirements of Lender, which are based upon or in any way related to such Hazardous Materials.

(f) Mortgagor agrees that in the event that the Mortgage is foreclosed or Mortgagor tenders a deed in lieu of foreclosure, Mortgagor shall deliver the Mortgaged Premises to Lender free of any and all Hazardous Materials, so that the condition of the Mortgaged Premises shall conform with all applicable federal, state and local laws, ordinances, rules or regulations affecting the Mortgaged Premises. For purposes of this Mortgage, "Hazardous Materials" means any flammable explosives, radioactive materials, hazardous materials, hazardous waste, hazardous or toxic substance or related materials, including those defined as such in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (42 USC § 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 USC § 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 USC § 6901, et seq.) and in the regulations adopted and publications promulgated pursuant thereto, or any federal, state or local governmental law, ordinance, rule or regulation. The provisions of this paragraph shall be in addition to any and all other obligations and liabilities Mortgagor may have to Lender in common law and shall survive the repayment of all sums due under the Note or the Mortgage, and the satisfaction of all of the other obligations of Mortgagor hereunder or under the Note.

35. This Mortgage shall be construed according to the laws of the State of Illinois, and shall be binding upon the signatories hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns, and any subsequent owners of the Mortgaged Premises, and shall inure to the benefit of Lender, its successors and assigns.

36. The obligations of Mortgagor, if more than one, hereunder shall be joint and several.

37. The undersigned warrants that the proceeds of this loan will not be used for the purchase of registered equity securities within the purview of Regulation G issued by the Board of Governors of the Federal Reserve System.

38. Anything contained in this Mortgage to the contrary notwithstanding, in the event of an express conflict between the terms of

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this Mortgage and those contained in the Note, the terms and provisions of the Note shall govern and control. Defined terms in the Note shall have the same meaning in this Mortgage when used herein.

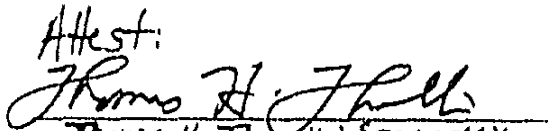
39. This Mortgage shall also constitute a fixture filing under the Uniform Commercial Code of Illinois.

40. MORTGAGOR AND LENDER ACKNOWLEDGE THAT THE RIGHT TO A TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT THE RIGHT MAY BE WAIVED. BOTH MORTGAGOR AND LENDER EACH KNOWINGLY, VOLUNTARILY, IRREVOCABLY AND WITHOUT COERCION, WAIVE ALL RIGHTS TO TRIAL BY JURY OF ALL DISPUTES BETWEEN THEM. NEITHER MORTGAGOR NOR LENDER SHALL BE DEEMED TO HAVE GIVEN UP THIS WAIVER OF JURY TRIAL UNLESS THE PARTY CLAIMING THAT THIS WAIVER HAS BEEN RELINQUISHED HAS A WRITTEN INSTRUMENT SIGNED BY THE OTHER PARTY STATING THAT THIS WAIVER HAS BEEN GIVEN UP.

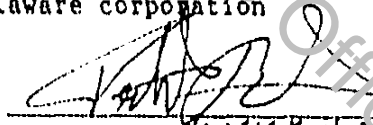
41. This Mortgage is given for the purpose of securing loan advances which Lender may make to or for Mortgagor pursuant and subject to the terms and provisions of the Note. The parties hereto intend that, in addition to any other debt or obligation secured hereby, this Mortgage shall secure unpaid balances of loan advances made after this Mortgage is delivered to the Recorder of Deeds, Cook County, Illinois, whether made pursuant to an obligation of Lender or otherwise, provided that such advances are within twenty (20) years from the date hereof and in such event, such advances shall be secured to the same extent as if such future advances were made on the date hereof, although there may be no advance made at the time of execution hereof and although there may be no indebtedness outstanding at the time any advance is made. Such loan advances may or may not be evidenced by separate promissory notes executed by Mortgagor.

IN WITNESS WHEREOF, the Mortgagor has executed this instrument the day and year first above written.

Signed, Sealed and Delivered
In the Presence of:

Attest:

THOMAS H. THORNE, SECRETARY

FINSON INTERNATIONAL, INC.,
d/b/a Aetna Bearing Company,
a Delaware corporation

By: 
PATRICK J. M. BALSON
Its: PRESIDENT
("Mortgagor")

[Acknowledgment on following page]

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(Acknowledgment continued from preceding page)

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Patrick J. M. A. Balson, personally known to me to be the President of Einson International, Inc. d/b/a Aetna a Delaware corporation, and Thomas H. Thorull, personally known to me to be the Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President and Secretary, they signed, sealed and delivered the said instrument as President and Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority, given by the Board of Directors of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Aetna
Bearing
Company

Given under my hand and official seal, this 3rd day of February, 1989.

Carol H. Winkler
Notary Public

My Commission Expires:

2/14/90

This document was drafted by and when recorded return to:

Androniko A. Tsagaris, Esq.
Honigman Miller Schwartz and Cohn
2290 First National Building
Detroit, Michigan 48226
(313) 256-7738

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EXHIBIT A

PARCEL 1:

LOTS 9 TO 23, INCLUSIVE AND THE EAST 19 FEET IN WIDTH OF LOT 24 IN THOGERSEN AND ERICKSEN'S SUBDIVISION OF LOTS 1 TO 15 AND 26 TO 33 ALL INCLUSIVE AND PRIVATE ALLEY IN BLOCK 6 IN SAMUEL S. HAYES' KELVYN GROVE ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH WEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN

ALSO

THAT PART OF THE EAST AND WEST 16 FOOT ALLEY NOW VACATED LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOTS 9 TO 16, BOTH INCLUSIVE AND NORTH OF AND ADJOINING THE NORTH LINE OF LOTS 17 TO 24, BOTH INCLUSIVE AND LYING EAST OF A LINE 16 FEET EAST OF AND PARALLEL TO THE WEST LINE OF LOT 24 PRODUCED NORTH 16 FEET IN THOGERSEN AND ERICKSEN'S SUBDIVISION AFORESAID

ALSO

THE WEST 30 FEET IN WIDTH OF THAT PART OF NORTH KENTON AVENUE IN THE CITY OF CHICAGO NOW VACATED LYING EAST OF AND ADJOINING THE EAST LINE OF BLOCK 6 AFORESAID LYING NORTH OF THE SOUTH LINE OF LOT 17 IN SAID BLOCK PRODUCED EAST 30 FEET AND LYING SOUTH OF THE NORTH LINE OF LOT 16 IN SAID BLOCK PRODUCED EAST 30 FEET IN THOGERSEN AND ERICKSEN'S SUBDIVISION AFORESAID

ALSO

BEGINNING AT THE NORTH EAST CORNER OF SAID BLOCK 6 ABOVE REFERRED TO RUNNING THENCE NORTH 18 FEET; THENCE EAST 30 FEET THEREOF SOUTH 18 FEET THENCE WEST 30 FEET TO THE POINT OF BEGINNING AND ALSO BEGINNING AT THE SOUTH EAST CORNER OF SAID BLOCK 6 ABOVE REFERRED TO RUNNING THENCE EAST 30 FEET THENCE SOUTH 33 FEET THENCE IN A STRAIGHT LINE TO POINT OF BEGINNING

PARCEL 2:

ALL THAT PART OF WEST PARKER AVENUE LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOTS 10 TO 13, BOTH INCLUSIVE AND THE SOUTH LINE OF SAID LOT 10 PRODUCED WEST 15 FEET IN BLOCK 3 OF S. S. HAYES' KELVYN GROVE ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH WEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOTS 9 TO 16, BOTH INCLUSIVE LYING EAST OF AND ADJOINING THE WEST LINE OF SAID LOT 9 PRODUCED NORTH 100 FEET AND LYING WEST OF AND ADJOINING THE EAST LINE OF SAID LOT 16 PRODUCED NORTH 100 FEET IN THOGERSEN AND ERICKSEN'S SUBDIVISION OF LOTS 1 TO 15 INCLUSIVE AND LOTS 26 TO 33 INCLUSIVE AND PRIVATE ALLEY IN BLOCK 6 IN S. S. HAYES' KELVYN GROVE ADDITION TO CHICAGO SAID PART OF WEST PARKER AVENUE BEING FURTHER DESCRIBED AS THE EAST 240 FEET MORE OR LESS OF THAT PART OF WEST PARKER AVENUE LYING WEST OF VACATED NORTH KENTON AVENUE, IN COOK COUNTY, ILLINOIS

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PARCEL 3

LOTS 6, 7, 8, 9, 10 AND THAT PART OF THE STRIP OF LAND BETWEEN LOTS 6 TO 10 BOTH INCLUSIVE AND LOT 11 WHICH WAS SHOWN ON THE PLAT OF S. S. HAYES' KELVYN GROVE ADDITION TO CHICAGO AS A PRIVATE ALLEY, BUT WHICH HAS NOW BEEN TERMINATED BY THE OWNERS OF ALL THE ABUTTING LOTS BY DECLARATION OF TERMINATION RECORDED AS DOCUMENT NUMBER 12919799, EXCEPT THAT PART LYING NORTHEASTERLY OF A LINE DESCRIBED AS FOLLOWS: BEGINNING AT A POINT 1.44 FEET WEST OF THE NORTHWEST CORNER OF LOT 6, THENCE SOUTHEASTERLY AT A RADIUS OF 355.06 FEET, AN ARC DISTANCE OF 184.55 FEET THEREOF TO A POINT 2.13 FEET WEST OF THE SOUTHEAST CORNER OF LOT 10; ALSO LOTS 11, 12, 13, 14, 15 AND THE EAST 25 FEET OF LOT 16 ALL IN BLOCK 3 IN S. S. HAYES' KELVYN GROVE ADDITION TO CHICAGO A SUBDIVISION OF THE SOUTHWEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

EASEMENT FOR THE BENEFIT OF PARCEL 1 AS CREATED BY GRANT DATED JANUARY 4, 1949 AND RECORDED MARCH 23, 1949 AS DOCUMENT 14518493 FOR PURPOSE OF A RIGHT OF WAY FOR CONSTRUCTING, OPERATING AND MAINTAINING A SWITCH TRACK OVER A STRIP OF LAND BEING A PART OF VACATED NORTH KENTON AVENUE AS LAID OUT IN S. S. HAYES' KELVYN GROVE ADDITION TO CHICAGO, OF THE SOUTH WEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, BEGINNING AT A POINT ON THE EAST LINE OF SAID NORTH KENTON AVENUE BEING ALSO THE WEST LINE OF RIGHT OF WAY OF CHICAGO AND NORTHWESTERN RAILWAY WHICH IS 18 FEET SOUTH OF THE SOUTH LINE OF WEST DIVERSEY AVENUE PRODUCED EAST RUNNING THENCE PARALLEL TO THE SAID SOUTH LINE OF WEST DIVERSEY AVENUE, 12 FEET; THENCE SOUTH PARALLEL TO THE WEST LINE OF AFORESAID RIGHT OF WAY, 182.39 FEET MORE OR LESS TO A POINT 85 FEET MEASURED PARALLEL TO SAID RIGHT OF WAY, NORTH OF THE NORTH LINE OF WEST PARKER AVENUE PRODUCED EAST; THENCE SOUTHERLY IN A STRAIGHT LINE TO A POINT ON SAID NORTH LINE OF WEST PARKER AVENUE WHICH IS 19 FEET WEST OF THE WEST LINE OF THE AFORESAID RIGHT OF WAY; THENCE SOUTH PARALLEL TO THE WEST LINE OF SAID RIGHT OF WAY 82 FEET TO A POINT 18 FEET NORTH OF THE SOUTH LINE OF WEST PARKER AVENUE PRODUCED EAST; THENCE EAST PARALLEL TO SAID SOUTH LINE OF WEST PARKER AVENUE 19 FEET TO THE WEST LINE OF AFORESAID RIGHT OF WAY; THENCE NORTH ALONG SAID RIGHT OF WAY LINE 349.39 FEET MORE OR LESS TO THE POINT OF BEGINNING AND ALSO OVER A PARCEL OF LAND DESCRIBED AS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID VACATED NORTH KENTON AVENUE AFORESAID, BEING ALSO THE WEST LINE OF THE RIGHT OF WAY OF CHICAGO & NORTHWESTERN RAILWAY WHICH IS 18 FEET SOUTH OF THE SOUTH LINE OF WEST DIVERSEY AVENUE PRODUCED EAST; RUNNING THENCE NORTH ALONG SAID EAST LINE OF SAID NORTH KENTON AVENUE 18 FEET TO THE SOUTH LINE OF SAID WEST DIVERSEY AVENUE PRODUCED EAST, THENCE WEST ALONG THE SOUTH LINE OF SAID WEST DIVERSEY AVENUE PRODUCED EAST, A DISTANCE OF 12 FEET; THENCE SOUTH ALONG A LINE PARALLEL WITH SAID EAST LINE OF SAID NORTH KENTON AVENUE 18 FEET; THENCE EAST ALONG A LINE PARALLEL WITH SAID SOUTH LINE OF SAID WEST DIVERSEY AVENUE PRODUCED EAST A DISTANCE OF 12 FEET, TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

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Permanent Real Estate Index Numbers: 13-27-301-008-0000
13-27-301-009-0000
13-27-305-010-0000

Address: 4634 Parker Avenue and
4600 Schubert Avenue
Chicago, Illinois 60639

This instrument was prepared by and
after recording or filing should be
mailed to:

Andronike A. Tsagaris, Attorney
Honigman Miller Schwartz and Cohn
3290 First National Building
Detroit, Michigan 48226
(313) 256-7800

Property of Cook County Clerk's Office

63053069

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EXHIBIT B

PERMITTED EXCEPTIONS

1. Real estate taxes and assessments not yet due and payable.
2. Those easements and restrictions of record shown on Schedule B of a certain Mortgagee's Policy of Title Insurance Order No. 7186054 to be issued by Chicago Title Insurance Company in accordance with the marked commitment for title insurance delivered to Lender by Chicago Title Insurance Company at the closing of this loan transaction.

DEPT-01 RECORDING 438.00
142222 TRAN 4174 02/07/89 15:36:00
38451 : E *--89--059069
COOK COUNTY RECORDER

89059069

Property of Cook County Clerk's Office