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MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT ("Mortgage"), made April 21, 1989, by and between HARRIS TRUST AND SAVINGS BANK, as Trustee under a Trust Agreement dated April 10, 1989, and known as Trust No. 94444 (the "Land Trustee"), and 430 ERIE ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership (the "Beneficiary") (the Land Trustee and the Beneficiary are collectively referred to herein as the "Borrower"), whose address is 430 West Erie, Chicago, Illinois 60610, for the benefit of LEMONT SAVINGS ASSOCIATION, an Illinois Chartered Savings Association, whose address is 1151 State Street, Lemont, Illinois 60439 ("Lender");

COOK COUNTY RECORDER

WITNESSETH THAT:

WHEREAS Borrower is indebted to Lender in the principal sum of Two Million One Hundred Thousand and No/100 Dollars (\$2,100,000.00), which indebtedness is evidenced by Borrower's Secured Promissory Note of even date herewith (herein called "Note"), in said principal amount, payable to Lender and which matures on November 5, 1989, which maturity may be extended to February 5, 1990 on fulfillment of certain conditions set forth in the Note, which Note bears interest at varying rates, and also contains provisions for acceleration in event of default, provides for payment of costs of collection, including attorneys' fees, in the event of default, and waives presentment, and notice of protest. A copy of the Note is attached hereto as Exhibit "A" and by this reference made a part hereof.

NOW, THEREFORE, Borrower in order to secure to Lender the repayment of the indebtedness evidenced by the Note, together with interest as provided therein and herein, the payment of all other sums, with interest thereon, advanced in accordance herewith and the performance of the covenants, conditions and agreement contained herein, does hereby MORTGAGE, WARRANT, GRANT, BARGAIN, SELL, ALIENATE, CONVEY, CONFIRM AND ASSIGN all of Borrower's fee simple interest and estate in the property located at 430 West Erie, Chicago, Cook County, Illinois (the "Land") (which property is legally described in Exhibit "B" attached hereto and by this reference made a part hereof), structures and other improvements, and chattels now on the Land or that may hereafter be erected or placed thereon, and items which are owned by Borrower, located at and used or useful in the operation of a shopping center, including, but, not limited to parking lots, related equipment and accessories; all owned motor vehicles; all motors and machinery to the extent owned by Borrower; also together with all shrubbery and trees now growing or that hereafter may be planted or grown thereon; and also together with all crops and/or produce of any kind now growing or that may be hereafter growing, grown or produced upon said land or any part thereof; and also to the extent owned by Borrower, development rights or credits, oil, gas and mineral rights, air rights and water and water rights, also, together with all and singular the

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THIS INSTRUMENT PREPARED BY: STREET ADDRESS:

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Schwartz & Freeman  
Suite 3400  
401 North Michigan Avenue  
Chicago, Illinois 60611

430 West Erie  
Chicago, Illinois

PERMANENT INDEX NUMBERS:

17-09-124-013  
17-09-124-014

Box 430

4300

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ways, easements, riparian and other rights, and all tenements, hereditaments and appurtenances thereunto belonging to borrower, including but not limited to all rights in any abutting public or private streets and alleys adjacent thereto (all of which items described in this paragraph are hereinafter referred to as the "Premises");

And all present and future rents, issues, avails, profits and proceeds (hereinafter referred to as the "Rents") of or from the Premises (which are also hereby granted, sold, bargained and conveyed to Lender), the "Leases" and/or the "Equipment" (both of which terms are hereinafter defined), howsoever occurring, existing, created or arising;

And all present and future leases, use agreements, agreements, tenancies, licenses and franchises (hereinafter referred to as the "Leases") of or from the Premises and/or the Equipment in any way, manner or respect required, existing, used or useable in connection with the Premises and/or the Equipment, and all deposits of money as advance rent under any or all of the Leases and all guarantees of lessees' performances thereunder;

And all present and future judgments, awards of damages and settlements made as a result or in lieu of any taking of the Premises, the Equipment and/or the Leases, or any part thereof, under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) thereto;

And all present and future apparatus, machinery, equipment, owned motor vehicles, fixtures and articles of personal property of any and every kind and nature whatsoever used, attached to, installed or located in or on or used in connection with the Premises, or required for use in or on or in connection with the all replacements thereof and accretions thereto to the extent owned by Borrower (hereinafter referred to as the "Equipment"), including but not limited to, any such item of Equipment now or at any time or times hereafter situated on the Premises and used to supply or otherwise deliver heat, gas, air conditioning, water, sewer, light, electricity, power, plumbing, refrigeration, sprinkling, ventilation, mobility, communication, incineration, and all other related items of Equipment being deemed to be a part of the Premises, whether physically attached thereto or not);

And all present and future insurance policies in force or effect owned by Borrower, insuring the Premises, the Rents, the Leases or the Equipment;

And all proceeds of each and every of the foregoing.

TO HAVE AND TO HOLD the above described property, including, without limitation, the Premises, the Leases, the Equipment and the Rents (collectively, the "Mortgaged Property") unto Lender and its successors and assigns, forever, however, upon the terms, provisions and conditions herein set forth and hereby covenanting and agreeing to warrant and forever defend the Mortgaged Property unto Lender against every person whomsoever lawfully claiming or to claim the same or any part thereof.

PROVIDED ALWAYS, that upon full payment of the Note secured hereby plus all accrued interest, or extensions or renewals thereof, in whole or in part, and payment in full of Borrower's liabilities (as hereinafter defined) and secured hereby, and Borrower faithfully

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and promptly having complied with and performed "Borrower's Obligations" to Lender, then Lender shall cancel this Mortgage of record and shall surrender this Mortgage.

This Mortgage shall operate as and constitute a Security Agreement from Borrower to Lender with respect to that portion of the Mortgaged Property constituting property or interests in property, whether real or personal, tangible or intangible, which are subject to the priority and perfection of security interest provisions of the Uniform Commercial Code of Illinois or any similar and applicable law. In addition Borrower hereby grants to Lender a continuing security interest in (1) that portion of the Mortgaged Property (as herein defined) constituting property or interests in property, whether real or personal, tangible or intangible, now owned or existing and hereafter acquired and arising, which are subject to the priority and perfection of security interest provisions of the Uniform Commercial Code of Illinois or any similar and applicable law, statute, code of other governing body of law; and (2) the Equipment and all proceeds thereof to secure payment of the indebtedness and obligations secured by this Mortgage. In the event of a foreclosure sale, all property or interests in property, subject to the priority and perfection of security interest provisions of the Uniform Commercial Code of Illinois or any similar and applicable law, statute, code of other governing body of law, may, at the option of Lender, be sold as a whole and it shall not be necessary to have present at the place of sale the property or any part thereof.

AND THIS INDENTURE FURTHER WITNESSETH:

## 1. DEFINITIONS

1.1 Wherever used in this Mortgage, "Borrower's Liabilities" means any and all of the following: (1) the payment of any and all monies, including, but not limited to, the payment, when due or declared due, of the principal sum of the Note, together with the interest described in detail hereafter, now and/or hereafter owed or to become owing by Borrower to Lender under and/or pursuant to the terms and provisions of the Note; (2) the payment of any and all other debts, claims, obligations, demands, monies, liabilities and/or indebtedness (of any kind or nature) now and/or hereafter owing, arising, due and/or payable from Borrower to Lender, due or payable from Borrower to Lender hereafter owing, arising, due or payable from Borrower to Lender under and/or pursuant to the terms and provisions of this Mortgage; and (3) the payment of any and all other debts, claims, obligations, demands, monies, liabilities and/or indebtedness (of any kind or nature) now and/or hereafter owing, arising, due and/or payable from Borrower to Lender under and/or pursuant to the terms and provisions of this Mortgage, or entered into between Borrower and Lender in connection with the loan evidenced by the Note (hereinafter referred to as the "Other Agreements"). The term "Borrower" as used herein shall include the parties who executed this Mortgage, any person who shall become liable hereunder, and any person who shall acquire the Mortgaged Property, or any part thereof or interest therein.

1.2 The term "Interest" as used herein means interest as provided for in the Note, including, without limitation, monthly interest on the principal balance at varying rates.

1.3 Wherever used in this Mortgage, "Borrower's Obligations" means the prompt, full and faithful performance, discharge, compliance and observance by Borrower of each and every term, condition, warranty, representation, agreement, undertaking, covenant and provisions to be performed, discharged, observed or complied with by Borrower contained in this Mortgage, the Note and/or in the Other Agreements.

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(iii) The execution, delivery and performance by Borrower of and under this Mortgage, the Note and the Other Agreements does not and will not constitute a violation of any existing law and does not and will not conflict with or result in a default, or breach of or under, or an acceleration of, any obligation arising, existing or created by or under any lease, agreement, instrument, document, mortgage, deed, trust deed, trust agreement, note, judgment, order, award, decree or other restriction to which Borrower or any of the Mortgaged Property is or hereafter shall become a party or by which Borrower or any of the Mortgaged Property is or hereafter shall become bound or any law or regulatory provision now or hereafter affecting Borrower or any of the Mortgaged Property.

(ii) Borrower now has and hereafter shall maintain the standing, right, power and lawful authority to own the Mortgaged Property, to carry on the business of and operate the Mortgaged Property, to enter into, execute and deliver this Mortgage, the Note and the Other Agreements to Lender, to encumber the Mortgaged Property to Lender as provided herein or in the Other Agreements and to perform all of Borrower's Obligations and to consummate all of the transactions described in or contemplated by this Mortgage, the Note and the Other Agreements.

(1) Borrower promptly will pay, or cause to be paid, when due or declared due, Borrower's liabilities and promptly, fully and faithfully will perform, discharge, observe and comply with each and every of Borrower's Obligations.

3.1 Borrower covenants with Lender and represents to Lender as follows:

3. COVENANTS, WARRANTIES AND REPRESENTATIONS

2.3 Lender, immediately upon request by Lender, at Borrower's sole expense, will or will cause to be made, executed and delivered to Lender, in form and substance acceptable to Lender, all documents and instruments that Lender is reasonably advised are and/or reasonably deemed necessary or appropriate to evidence, document or conclude the transactions described in and/or contemplated by this Mortgage, the Note or the Other Agreements or required to perfect or continue perfected, as valid encumbrances, the encumbrances granted herein or in the Other Agreements by Borrower to Lender upon the Mortgaged Property.

2.2 Borrower, within ten (10) days after request by Lender therefore, will certify, in writing, to Lender, or to any proposed assignee of this Mortgage, the amount of principal and interest then owing and unpaid under the Note and whether Borrower has or asserts any offsets or defenses thereto.

2.1 To secure the payment by Borrower of Borrower's liabilities and the performance by Borrower of Borrower's Obligations, Borrower hereby does mortgage, warrant, grant, bargain, sell, alienate, convey, confirm, assign, pledge, set over, transfer, remise and release to Lender, its successors and assigns, forever, the Mortgaged Property for the purposes and uses set forth in this Mortgage.

2. CONVEYANCE

1.4 Wherever used in this Mortgage, the term "and/or" means one or the other or both, or any one or all, of the things, events or persons or parties in connection with which the term is used.

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(xi) There does not exist and hereafter there shall not arise any default or breach of or under any agreement, instrument or document for borrowed money by which the Mortgaged Property is bound or obligated, nor does Borrower have any claims for set-off or defenses to the payment of such borrowed money.

(x) Borrower and the Mortgaged Property possess and hold and shall maintain adequate properties, interests in properties, leases, licenses, franchises, rights and governmental and other permits, certificates, consents and approvals to conduct and operate the business of the Mortgaged Property. None of the foregoing contain or shall contain any term or condition that is materially burdensome to said business or held by other parties conducting or operating a similar business.

(ix) The Mortgaged Property now consists of and is in the same condition, ordinary wear and tear excepted, as it was when Lender last inspected it and, ordinary wear and tear excepted, it shall consist of and remain in such condition until the payment, in full, of Borrower's Liabilities.

(viii) There is no litigation, action, claim or proceeding pending or threatened which might, in any way, manner or respect, materially or adversely affect the Mortgaged Property, the operation or the business thereof, Lender's encumbrances thereon, the collectibility of the Note, the ability of Borrower to repay the Note or the financial condition of the Mortgaged Property or the operation or business thereof not otherwise disclosed to Lender in writing on or prior to the date hereof.

(vii) All of the licenses necessary for the operation of the Mortgaged Property are and shall at all times be in full force and effect. To the best of Borrower's knowledge, all of the Leases are and shall remain genuine, in all respects what they purport to be, free of set-offs, counterclaims or disputes, and valid and enforceable in accordance with their terms and all parties to the Leases have and shall have the capacity to contract thereunder. Except for security deposits provided for under the Leases, and revealed by Borrower to Lender in writing, no advance payments of more than one month's rental have been (except as disclosed to Lender) or shall be made thereunder.

(vi) Borrower has duly filed and shall continue timely to file all federal, state and other governmental tax and similar returns which Borrower is required by law to file with respect to the Mortgaged Property and the operation and business thereof. All taxes and other sums which are shown to be payable under such returns have been and shall be timely and fully paid and Borrower shall maintain adequate reserves in amount to fully pay all such liabilities which hereafter may accrue.

(v) The various other data and information relating to the Mortgaged Property and the operation and business thereof heretofore and from time to time hereafter delivered by or for Borrower to Lender are and shall be correct, complete and accurate in all material respects.

(iv) The various financial and operating statements relating to the Mortgaged Property and the operation and business thereof from time to time hereafter delivered by or for Borrower to Lender pursuant to Paragraph 3.3(vii) below, shall be true, correct, complete and accurate in all material respects, fairly present the financial conditions represented as of the dates and for the periods indicated and have been and shall be prepared in accordance with accounting principles customarily used in connection with the operation of projects of type and size similar to the Premises, consistently applied.

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(xii) The location, existence, use and condition of the premises and the equipment are and shall remain in compliance with all applicable laws, rules, ordinances and regulations, including, but not limited to, building and zoning laws, and all covenants and restrictions of record.

(xiii) To the best of Borrower's knowledge, there are not now and will be no Hazardous or Toxic Material (as hereinafter defined) existing on or under the surface of the Mortgaged Property or in any surface waters or ground waters on or under the Mortgaged Property and no escape, seepage, spillage, discharge, emission or release of any Hazardous or Toxic Material has occurred or shall occur on, under, above, or emanate from, the Mortgaged Property. To the best of Borrower's knowledge, the Mortgaged Property has not and will not be used as a sanitary landfill, dump site, industrial or disposal area, or storage site for Hazardous or Toxic Material, or for any other similar use, on either a permanent or temporary basis; provided, however, that this provision shall not prohibit the possession or use by Borrower or its tenants of materials in such quantities, and used under such conditions, as do not constitute a hazardous condition, or subject the Borrower, tenants or the Mortgaged Property to any applicable lien, violation, law, rule or regulation as a result of such possession or use. The term Hazardous or Toxic Material shall be defined to include: (i) asbestos or any material composed of or containing asbestos in any form and of any type, or (ii) any hazardous, toxic or dangerous waste, substance, material, smoke, gas or particulate matter, as from time to time defined by or for purposes of the Comprehensive Environmental Response Compensation and Liability Act, and any law commonly referred to as of the date hereof as "Superfund" or "Superfund" or any successor to such law, or any other Federal, State or local environmental, health or safety statute, law, ordinance, code, rule, regulation, order or decree relating to, or imposing liability or standard concerning or in connection with hazardous, toxic or dangerous waste, substance, material, smoke, gas or particulate matter, as now or any time hereafter in effect. Borrower will indemnify and hold Lender free and harmless from any and all loss, liability, cost or expense (including, without limitation, the cost of attorneys, consultants, analysts, litigation, clean-up and settlement expenses) which Lender may incur, or to which Lender may be or become subject, as a result of the presence of any Hazardous or Toxic Material on, in or under the Mortgaged Property (whether or not the presence thereof shall constitute a breach by Borrower of this paragraph), or as the result of the assertion by any person of any facts or circumstances which, if proven correct, could result in any such loss, liability, cost or expense to Lender. The indemnity set forth in this paragraph shall survive the repayment of the Note and the release and discharge of this Mortgage.

(xiv) Borrower is and shall remain in peaceful possession of and will forever warrant and defend the Mortgaged Property from and against any and all claims thereon or thereto of any and all parties.

(xv) None of the proceeds of the Note will be used for the purchase or carrying of registered equity securities within the purpose of Regulation G of the Federal Reserve Board or for the purpose of releasing or retiring any indebtedness which was originally incurred for any such purpose.

(xvi) Borrower has no knowledge that the appraisal provided to Lender as a condition to the making of the loan evidenced by the Note was not prepared by the appraiser in accordance with, or does not fully comply with, all applicable regulations of the Federal Home Loan Bank Board, including without limitation, FHLBB R 41c.

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(ii) Subject to the provisions of Paragraph 4.2, Borrower shall promptly pay and discharge, as and when due and payable, before any penalty attaches, all charges, impositions, levies, assessments and taxes (whether general, special or otherwise), water charges, sewer service charges and all other municipal or governmental charges, impositions, levies, assessments and taxes of any kind or nature that may be at any time levied, assessed or imposed upon or against the Mortgaged Property, or any part thereof (other than taxes measured solely by the income of Lender), and shall deliver to Lender duplicate receipts evidencing payment thereof of prior to delinquency. To prevent an event of default, Borrower may pay in full, under protest, and in the manner provided by statute, or contest, without payment, any charge, imposition, levy, tax or assessment which Borrower may desire to contest; provided

(i) Borrower will not change the use or character of or abandon the Mortgaged Property and at all times hereafter shall keep the Mortgaged Property in good condition and repair and will not commit or suffer waste and will make all necessary repairs, replacements and renewals (including the replacement of any items of the Equipment) to the Mortgaged Property so that the value and operating efficiency thereof shall at all times hereafter be maintained and preserved. Borrower shall not remove any fixture except in the ordinary course of business provided that any fixture, building or improvement so removed is either replaced or is not a material portion of the Mortgaged Property, or demolish any building or improvement located in or on the Premises. Borrower shall pay for and complete, within a reasonable time, any building or improvement at any time in the process of erection upon the Premises, shall refrain from impairing or diminishing the value of the Mortgaged Property and shall make no material alterations to the Mortgaged Property which in the reasonable opinion of Lender diminishes its value, and, promptly shall repair, restore or rebuild any building or improvement now or hereafter on the Premises which may become damaged or destroyed. Borrower shall comply with all requirements of law and all municipal ordinances governing the Mortgaged Property and the use thereof. Borrower shall permit Lender, and its agents, upon demand, access to inspect the Mortgaged Property at all reasonable times.

3.3 Borrower covenants with ~~and represents~~ and represents to Lender as follows:

3.2 Borrower covenants with ~~and represents~~ and represents to Lender that at closing of the loan secured hereby Borrower will be lawfully seized, possessed and the owner of and will have good and indefeasible, marketable fee simple title to the Mortgaged Property, free and clear of all liabilities, claims, debts, exceptions, security interests, assessments, charges, impositions, levies, taxes, liens and all other types of encumbrances (hereinafter referred to as the "Encumbrances") except (I) the Encumbrances of Lender, and made a part of hereof, and (II) those encumbrances described on Exhibit "C" attached hereto as the "Permitted Encumbrances". Paragraph 3.2 being defined as the "Permitted Encumbrances".

(xvii) Borrower will save and hold Lender harmless of and from any and all damage, loss, cost and expense, including, but not limited to, reasonable attorneys' fees, costs and expenses, incurred by reason of or arising from or on account of or in connection with any suit or proceeding, threatened, filed and/or pending, in or to which Lender is or may become or may have to become a party by reason of or arising from or on account of or in connection with Borrower's Liabilities, this Mortgage, the Note, or the other Agreements.

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(iv) Borrower shall not, at any time or times hereafter, without the prior written consent of Lender, (a) sell (including any sale or other transfer pursuant to an installment contract for sale or sale under articles of agreement), grant an option to purchase, lease under any master lease, lease substantially all of the Mortgaged Property, exchange, assign, convey, or otherwise transfer the Mortgaged Property and/or any part or interest in the Mortgaged Property, except for any Permitted Encumbrances, or (b) transfer, assign or convey (collaterally or otherwise) any general partnership interest or limited partnership interest in the Beneficiary, or permit any general partner or limited partner of Beneficiary to transfer any of its partnership interest in the Beneficiary or admit any general partner to, or permit the withdrawal of any general partner from, Beneficiary, or permit any shareholder of the general partner to transfer any of his shares, or permit the issuance by the general partner of any shares of capital stock, except for "permitted transfers". Any of the foregoing acts, occurrences or events, except a Permitted Transfer, shall be deemed to be a "sale" hereunder. A "permitted transfer" shall include (1) any transfer, as a result of the death of a shareholder of the general partner, of all or any part of his shares to any other shareholder of the general partner, or to any member of such shareholder's

(iii) Unless Borrower obtains Lender's prior written consent, Borrower shall keep the Mortgaged Property free and clear of all Encumbrances (including, but not limited to, mechanics' liens and other similar liens or claims for liens) of any and every kind and nature, except for the Permitted Encumbrances, shall promptly pay or cause to be paid, as and when due and payable or when declared due and payable, any indebtedness which may become or be secured by such an Encumbrance and, immediately upon request by Lender, shall deliver to Lender evidence satisfactory to Lender of the payment and discharge thereof. To prevent default hereunder, Borrower may obtain an endorsement from a title insurer reasonably acceptable to Lender insuring Lender against any loss from such Encumbrance, or otherwise indemnify Lender, by another means determined solely by and acceptable to Lender, against loss by reason of such an Encumbrance which Borrower may desire to contest. If, in accordance with the terms of this Mortgage, Lender makes payment of any such Encumbrance, Lender shall be subrogated to the rights of such claimant, notwithstanding that the Encumbrance may be released of record.

that Borrower shall proceed diligently in good faith to contest such payment and if Borrower does not elect to pay under protest, Borrower will post such bond or other security as Lender may reasonably require to protect the lien of the Mortgage. If Lender is required by legislative enactment or judicial decision to pay any charge, imposition, assessment, levy or tax in or to any state, municipality or government on the Mortgaged Property (or on any interest therein), this Mortgage, the Other Agreements or Borrower's Liabilities, all of Borrower's Liabilities shall be due and payable, at the election of Lender, ten (10) days after the mailing of notice of such election to Borrower; provided, however, said election and right to elect will be unavailing and this Mortgage, the Note and the Other Agreements will be and remain in full force and effect as though said law had not been enacted or said decision had not been rendered if, notwithstanding such law or decision, Borrower lawfully may pay such charge, imposition, assessment, levy or tax to or for Lender, and does, in fact, pay, when payable, so much thereof as taken with interest as aforesaid, does not exceed the maximum amount of interest permitted by applicable law. It at any time the United States of America shall require internal revenue stamps to be affixed to this Mortgage, the Note or the Other Agreements, Borrower will pay for the same, together with any interest or penalties imposed in connection therewith.

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(c) Borrower shall deliver to Lender the current status of operations and such other financial and other information on the mortgaged property or Borrower, as Lender may reasonably

(b) Borrower shall deliver to Lender within ninety (90) days of the close of each calendar year, (i) operating statements of income and expenses, with respect to the mortgaged property, prepared in accordance with accounting principles customarily used in connection with the operation of projects of type and size similar to the premises consistently applied, prepared by independent certified accountants, and (ii) current financial statements of the Borrower prepared in accordance with generally accepted accounting principals, consistently applied, prepared by independent certified public accountants.

(a) With respect to the mortgaged property and the operation and business thereof, Borrower will keep or cause to be kept proper books and records, prepared in accordance with accounting principles customarily used in connection with the operation of projects of type and size similar to the premises, consistently applied. Borrower shall permit Lender and its auditors and agents from time to time during regular business hours and on reasonable notice to review and audit Borrower's books, records and financial information.

(vii) Borrower will not repudiate the premises during the term hereof or make any capital expenditures that might result in a lien for materials or services being placed on the premises without the prior written approval of Lender, provided that Borrower may maintain the premises in the ordinary course of the operation of the premises.

(vi) All present and future items of fixtures, equipment, furnishings or other tangible personal property of Borrower, related or necessary to or used or useable in connection with any present or future building or improvement on the premises, or the operation or business thereof, are and will be owned free and clear of all encumbrances except the permitted encumbrances above and Borrower will not acquire any such property subject to any encumbrance. Within five (5) days after request by Lender, Borrower will execute and deliver to Lender a security agreement and financing statements, in form and substance acceptable to Lender, covering all such property.

(v) Borrower shall not make any change in the method of management of the mortgaged property which shall substantially impair the ongoing and professional management of the mortgaged property.

(4) Borrower shall not make any change in the method of management of the mortgaged property which shall substantially impair the ongoing and professional management of the mortgaged property.

(3) any transfer by a limited partner of his limited partnership interest so long as the transferee is a limited partner in the beneficiary did not exceed 10% and such transfer was not part of a transaction, or one of a series of transactions, in which a majority of the limited partnership interests were transferred to one person, or to an affiliated group of persons (provided that Lender shall consent to a transfer or pledge by a limited partner owning a 10% or more interest in the beneficiary if the transfer or pledge is allowed by any regulations to which Lender is subject, and the transfer or pledge is not a transaction or series of transactions in which a majority of the limited partnership interests were transferred to one person or to an affiliated group of persons) (3) any transfer by any shareholder of the general partner of beneficiary of any of his shares of stock in such general partner to members of the shareholder's immediate family, and/or to trusts for the benefit of such shareholder and/or members of such shareholder's immediate family.

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4.1 (A) Borrower, at all times, shall keep and maintain the mortgaged property fully insured (without co-insurance); (i) against loss or damage by, or resulting from, fire and such other hazards, casualties and contingencies as Lender, from time to time, may require in companies, form, amounts and periods as are satisfactory to Lender and for full replacement cost, which shall not be less than the outstanding principal amount of the Note, and with an inflation endorsement; (ii) with flood insurance in favor of Lender (if required by Lender); (iii) with rental insurance in favor of Lender in an amount equal to not less than twelve (12) months' gross rent from the mortgaged property; (iv) with comprehensive general liability insurance, with combined single limit for bodily injury, in amounts not less than \$3,000,000 and for property damage of \$500,000, with respect to any one accident or disaster; (v) with sprinkler insurance and boiler insurance, if

4. TAXES, INSURANCE AND CONDEMNATION

3.5 Borrower covenants that it shall not grant or modify any existing easements which benefit or burden the mortgaged property or grant or modify any license relating to the mortgaged property or the operation thereof, without in each instance obtaining the prior written consent of Lender, which shall not be unreasonably withheld. Borrower shall grant such easements, cross-easements and rights of way in, to, on, over, through or under all or a part of the mortgaged property necessary for ingress and egress, passage and parking of vehicles, passage of pedestrians, installation, maintenance, repair, replacement, removal and use of roadways and sidewalks and installation, operation, maintenance, repair, replacement, relocation, removal and use of public facilities and utilities. Upon request by Lender, Borrower shall have such easements, cross-easements and rights of way prepared, in form and substance satisfactory to Lender and Lender's counsel, executed and recorded in the appropriate real estate records, all at Borrower's own cost and expense.

3.4 If Borrower, within ten (10) days after written demand from Lender, shall neglect or refuse to keep the mortgaged property in good operating condition and repair or to replace or maintain the same as herein agreed, to pay the premiums for the insurance which is required to be maintained hereunder, to pay and discharge all encumbrances as herein agreed or otherwise defaults in the performance of Borrower's obligations, Lender, at its sole election, may cause such repairs or replacements to be made, obtain such insurance, pay such encumbrances or perform such obligations. Any amounts paid by Lender in taking such action, together with interest thereon at the default rate (as hereinafter defined) from the date of Lender's payment thereof until repaid by Borrower to Lender, shall be due and payable by Borrower to Lender upon demand, and, until paid, shall constitute a part of Borrower's liabilities secured by this mortgage and bear interest at the default rate. Notwithstanding the foregoing, such advances by Lender shall not be deemed to relieve Borrower from an event of default hereunder or impair any right or remedy consequent thereon. The exercise of the right to take such action shall be optional with Lender and not obligatory upon Lender and Lender shall not in any case be liable to Borrower for failure or refusal to exercise of any such right. In making any payments pursuant to the exercise of any such right, Lender may rely upon any bills delivered to it by Borrower or any such payee and shall not be liable for any failure to make payments in any amounts other than as set forth in any such bills.

request from time to time, allow a representative from Lender to enter on and inspect the mortgaged property, upon reasonable advance notice and allow Lender, at its own expense to audit the books and records of Borrower.

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(1) toward the alteration, recon-  
struction, repair or restoration of

(a) apply such proceeds, wholly or partially,  
after deducting all costs of collection,  
including reasonable attorneys' fees,  
either:

(c) In the event of payment under any of the policies,  
the proceeds of the policies shall be paid by the insurer to  
Lender, and Lender, in its sole and absolute discretion, may:

(d) to assign all policies to any holder of  
Borrower's liabilities or to the grantee  
of the Mortgaged Property in the event of  
the foreclosure of this Mortgage or other  
transfer of title to the Mortgaged  
Property.

(c) to execute, in the name of Borrower or in  
the name of Lender, any proofs of loss,  
notices or other instruments in connection  
with all claims under all policies; pro-  
vided, however, that so long as no uncured  
Event of Default shall exist hereunder,  
Lender shall not exercise such power with-  
out the written consent of Borrower; and

(b) to demand, receive and issue a receipt  
for all notices becoming due and/or  
payable under all policies;

(a) to settle and compromise all claims under  
all policies; provided, however, that so  
long as no uncured Event of Default shall  
exist hereunder, Lender shall not exercise  
such power without the written consent of  
Borrower;

(B) Full power is hereby conferred on Lender:

applicable; and (vi) such other insurance as may be reasonably  
required by Lender from time to time. All such policies and  
renewals thereof (hereinafter referred to as the "policies") shall  
be issued by insurance companies which are reasonably acceptable to  
Lender and have a Best's Insurance Guide rating of A-11 or better  
and shall contain, in form and substance acceptable to Lender, a  
"replacement cost endorsement" (in the case of all casualty  
policies) and standard mortgage loss payable clauses naming the  
Lender as "First Mortgage", as well as a standard waiver of  
subrogation endorsement and a non-contributory standard mortgage  
clause and shall be delivered, as issued, to Lender, with premiums  
therefor paid in full by Borrower. All policies shall provide that  
they are non-cancelable by the insurer as to Lender without first  
giving at least thirty (30) days prior written notice to Lender of  
any intended cancellation. Borrower will give immediate written  
notice to Lender of any loss or damage to the Mortgaged Property  
caused by any casualty. In case of policies about to expire,  
Borrower will deliver to and deposit with Lender renewal policies  
not less than thirty (30) days prior to the respective dates of  
expiration. Borrower will deliver and deposit with Lender receipts  
for the payment of the premiums on all policies. In the event of  
foreclosure of this Mortgage or assignment hereof by Lender or  
transfer of title to the Mortgaged Property in extinguishment of  
Borrower's liabilities, all right, title and interest of Borrower  
in and to any policies then in force shall pass to the purchaser,  
grantee or assignee.

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(B) If the deposits required by this Paragraph 4.2 are insufficient to pay the impositions, levies, taxes, insurance premiums or assessments for which they are provided, on or before thirty (30) days before the same shall become due and payable Borrower shall deposit with Lender such additional monies as are necessary to pay, in full, such obligations.

4.2 (A) Borrower shall deposit with Lender on the fifth (5th) day of each month hereafter until Borrower's liabilities are fully paid, a sum equal to one-twelfth (1/12th) of Lender's reasonable estimate of the total annual impositions, levies, taxes, insurance premiums and assessments. Notwithstanding the foregoing, Lender does not hereby assume any of Borrower's obligations under said laws to make such payments and nothing contained herein, in the Note or the other Agreements shall require Lender to perform any such obligations of Borrower except for the making of the aforesaid payments in accordance with and subject to the above specified terms. Lender shall not be obligated to make such payments, except to the extent of deposits held in escrow hereunder. Any such payments made by Lender, together with interest thereon at the default rate from the date of Lender's payment(s) thereof until repaid by Borrower to Lender, shall be due and payable by Borrower to Lender upon demand, and, until paid, shall constitute part of Borrower's liabilities secured by this Mortgage.

(E) All insurance proceeds now or hereafter disbursed for the benefit of Borrower in any way, manner or respect affecting, arising from or relating to the Mortgaged Property, or any portion thereof, are hereby assigned to Lender as additional security for the payment of Borrower's liabilities (and for such purpose, Borrower hereby grants to Lender a security interest therein).

(D) The provisions of paragraph 4.1(C) notwithstanding, the proceeds of such insurance shall be released to Borrower if the proceeds are less than \$50,000, on such terms as Lender shall determine to protect the amount and validity of the lien granted hereunder, for the purpose of repairing or restoring the Mortgaged Property.

(b) deliver the same to Borrower.

or

(11) as a payment on account of Borrower's liabilities (without affecting the amount or time of subsequent installment payments required to be made by Borrower to Lender under the Note), whether or not then due or payable;

the Mortgaged Property or any portion thereof, in which event Lender must give its prior written approval to all plans and specifications for the alteration, reconstruction, repair or restoration of the Mortgaged Property; or

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(C) The provisions of paragraph 4.3(B) notwithstanding, the proceeds of any such award shall be released to Borrower if such proceeds are less than \$50,000, on such terms as Lender shall

(4) to release the same to Borrower.

(3) to use the same, or any part thereof, to replace, repair or restore any or all of the Mortgaged Property to a condition satisfactory to Lender, and Lender must give its prior written approval to the plans and specifications for any such replacement, repair or restoration; or

(2) to use the same, or any part thereof, to satisfy, perform or discharge any of Borrower's obligations;

(1) to apply the same, or any part thereof, to Borrower's liabilities, whether or not then matured and without affecting the amount or time of subsequent installment payments required to be made by Borrower to Lender under the Note;

(B) Lender shall and hereby is authorized, directed and empowered to collect and receive the proceeds of any such awards from the authorities making the same and to give proper receipts therefor (in Borrower's name, in Lender's name or in both names), and may, in its sole and absolute discretion, use such proceeds for any one or more of the following purposes:

4.3 (A) All awards now or hereafter made by any public or quasi-public authority to or for the benefit of Borrower in any way, manner or respect affecting, arising from or relating to the Mortgaged Property, or any portion thereof, by virtue of an exercise of the right of eminent domain by such authority (including, but not limited to, any award for taking of title, possession or right of access to a public way, or for any change of grade or streets affecting the Mortgaged Property) hereby are assigned to the Lender as additional security for the payment of Borrower's liabilities (and for such purpose, Borrower hereby grants to Lender a security interest therein);

(F) All of the aforesaid deposits hereby are pledged, as additional security for the payment of Borrower's liabilities (and for such purpose, Borrower hereby grants to Lender a security interest therein), to be applied by Lender for the purposes hereinabove set forth and shall not be subject to the control of Borrower, upon the occurrence of an Event of Default hereunder, Lender, at its option and in its sole discretion, may apply any monies held pursuant to Sub-paragraph (A) above on account of any of Borrower's liabilities, in such order or priority as Lender may elect.

(E) Upon payment, in full, of Borrower's liabilities, Lender shall deliver any remaining of the aforesaid deposits to Borrower or the then owner of the Mortgaged Property.

(D) Lender shall not be liable for failure to pay, when due, any such impositions, levies, taxes, insurance premiums or assessments unless Borrower, prior to the occurrence of an Event of Default, and, prior to the due date thereof, shall have delivered to Lender appropriate evidence of bills therefor.

(C) Borrower shall deposit with Lender an amount of money, which together with the aggregate of the monthly deposits to be made pursuant to sub-paragraph (A)(1) above, if applicable, shall be sufficient to pay, in full, the total annual impositions, levies, taxes, insurance premiums and assessments estimated by Lender to become due and payable with respect to the Mortgaged Property for the current tax year which are not yet due and payable.



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determine to protect the amount and validity of the lien granted hereunder, but only for the purpose of repairing or restoring the mortgaged property.

(D) Borrower, immediately upon request by Lender, shall make, execute and deliver and/or cause to be made, executed and delivered to and/or for the benefit of Lender any and all assignments and other instruments sufficient to assign, and cause the payment directly to Lender of, all such awards, free and clear of all Encumbrances, except the Permitted Encumbrances. Notwithstanding any taking by eminent domain, alteration of the grade of any street or other injury to or decrease in value of the mortgaged property by any public or quasi-public authority or corporation, Borrower shall continue to pay all of Borrower's Liabilities, as and when due and payable, until any such award or payment shall have been actually received by Lender, and any reduction in Borrower's Liabilities resulting from the application by Lender of such award or payment as herein set forth shall be deemed to take effect only on the date of such receipt. If, prior to the receipt by Lender of such award or payment, the mortgaged property shall have been sold on foreclosure of this Mortgage, Lender shall have the right to receive such award or payment to the extent of any deficiency found to be due upon such sale, with legal interest thereon, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, and of the reasonable attorneys' fees, costs, expenses and disbursements incurred by Lender in connection with the collection of such award or payment.

5. ASSIGNMENT OF RENTS AND LEASES

5.1 All of the Rents arising from the Leases are hereby absolutely and unconditionally assigned, transferred and conveyed to Lender as security for the payment of Borrower's Liabilities. Prior to the occurrence of an Event of Default under this Mortgage, Borrower shall have the right to collect all of the Rents arising from the Leases, or renewals thereof, and shall hold the same to be applied first to the payment of all impositions, taxes, interest, assessments and other charges upon the mortgaged property, secondly to the cost of the maintenance of insurance policies upon the mortgaged property required hereby, thirdly to the maintenance and repairs required hereby and lastly to the payment of any of Borrower's Liabilities then due and owing, before using any part of the Rents for any other purposes.

5.2 At all times and at reasonable intervals (prior to the occurrence of an Event of Default hereunder), any of Lender's agents shall have the right to verify the validity, amount or any other matter relating to any or all of the Leases, by mail, telephone, teletype or otherwise, in the name of Lender, a nominee of Lender or in any or all of said names.

5.3 Borrower will not, without the prior consent of Lender which consent shall not be unreasonably withheld, extend any existing lease, amend or modify any existing lease or enter into any new lease, in determining whether to approve any such extension, amendment, modification or new lease, Lender shall have the right to consider, among other things, the rent per square foot, expense pass-throughs, stops and percentage rents as compared to other leases in the mortgaged property and in the area of the mortgaged property, and the creditworthiness of the tenant. A lease shall be deemed approved if Lender does not disapprove the lease within five (5) business days after any request for approval.

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5.4 If an Event of Default shall occur or exist:

(1) Borrower's right to use the Rents is terminated and any Rents then or thereafter coming into Borrower's possession are to be held in trust by Borrower for the benefit of Lender in a segregated manner and immediately delivered to Lender, and Borrower shall have no rights to use the Rents for any purpose whatsoever without the prior written consent of Lender.

(11) To the extent permitted by applicable law, Lender may, without notice and without bringing any action or proceeding or by a receiver appointed by a court, take possession of the Mortgaged Property and have, hold, manage, lease and operate the Mortgaged Property on such terms and for such period of time as Lender may deem proper. Lender shall not be liable for any loss sustained by Borrower resulting from Lender's failure to lease portions of the Premises or from any other act or omission of Lender in managing the Mortgaged Property (unless such loss is caused by the willful misconduct and bad faith of Lender).

(12) Immediately upon demand by Lender, Borrower shall deliver to Lender the originals of the Leases, with appropriate endorsement and/or other specific evidence of assignment thereto to Lender which endorsement and/or assignment shall be in form and substance acceptable to Lender.

(14) Lender then or at any time or times thereafter, at its sole election, without notice thereof to Borrower, may notify any or all of the obligors of the Leases that the Leases have been assigned to Lender and Lender (in its name, in the name of Borrower or in both names) may direct said obligors thereafter to make all payments due from them under the Leases directly to Lender.

(15) Borrower, immediately upon demand by Lender, unconditionally shall direct all obligors of the Leases then and thereafter to make all payments then and thereafter due from them under the Leases directly to Lender. Lender shall have the right at any time or times thereafter, at its sole election, without notice thereof to Borrower, to enforce the terms of the Leases and obtain payment of and collect the Rents, by legal proceedings or otherwise, in the name of Borrower, Lender or in both names; (a) to demand payment of the Rents and performance of the Leases; (b) to enforce payment of the Rents and performance of the Leases, by legal proceedings or otherwise; (c) to exercise all of Borrower's rights, interests and remedies in and under the Leases and to collect the Rents; (d) to settle, adjust, compromise, extend or renew the Leases and/or the Rents; (e) to settle, adjust, compromise, extend or renew the Leases and/or the Rents; (f) to take control, in any manner, of the Rents; (g) to prepare, file and sign Borrower's name on any proof of claim in bankruptcy, or similar document in a similar proceeding, against obligors of the Leases; (h) to endorse the name of Borrower upon any payments or proceeds of the Rents and to deposit the same to the account of Lender; and (i) to do all acts and things necessary, in Lender's sole discretion, to carry out any or all of the foregoing.

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(vi) The voluntary or involuntary dissolution or termination of Borrower, the liquidation of the assets of Beneficiary or

(v) Any Sale, as described in or contemplated by Paragraph 3.3(iv) above.

(iv) The occurrence or existence of a "Default" or "Event of Default" as defined in the Note or any of the other agreements, other than a failure to pay money, or a default or event of default under any other agreement, instrument, or document evidencing and/or securing and/or guaranteeing all or any portion of the indebtedness secured hereby, that continues thirty (30) days after written notice by Lender to Borrower of such default, except that if Borrower is proceeding diligently to cure such failure, and in Lender's judgment such failure may be cured within a reasonable time and the additional time will not adversely affect Lender's security, then while Borrower is attempting to cure such failure, such failure shall not be an Event of Default.

(iii) Borrower's obtaining any additional or future advances, or incurring any additional indebtedness or obligations of any character, the repayment of which is secured by a lien on or an interest in the mortgaged property, without the prior written consent of Lender, except for the permitted Encumbrances.

(ii) a petition is filed by or against Borrower, seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any law relating to bankruptcy or insolvency (and in the case of an involuntary petition, such petition is not discharged within sixty (60) days of its filing), or the Land Trustee or Beneficiary seeks or consent to or acquiesces in the appointment of any trustee, receiver or master or liquidator of itself or of all the rent, revenues, issues, earnings, profits or income of the Land Trustee, or Beneficiary to the mortgaged property; or a custodian, receiver, or trustee for any of the mortgaged property is appointed, or if the Land Trustee or Beneficiary makes an assignment for the benefit of creditors, or if the Land Trustee or Beneficiary is adjudged insolvent by any state or federal court of competent jurisdiction, or an attachment or execution is levied against any of the mortgaged property; and in any event such matter is not discharged within sixty (60) days from the commencement thereof.

(i) Failure of Borrower to pay any of Borrower's liabilities when due or declared due, or failure of Borrower to deliver to Lender, when due, the various financial and operating statements referred to in Subparagraph 3.3(vii) above.

5.1 The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Mortgage:

6. DEFAULT

(viii) All of the foregoing payments and proceeds received by Lender shall be utilized by Lender, at its sole election in its sole discretion, for any one or more of the following purposes: (a) to be held by Lender as additional collateral for the payment of Borrower's liabilities; (b) to be applied to Borrower's liabilities, in such manner and fashion and to such portions thereof as Lender, at its sole election, shall determine; (c) to be applied to such obligations of Borrower or the mortgaged property or the operations or business thereof as Lender, at its sole election, shall determine appropriate or warranted under the then existing circumstances; or (d) to be remitted to Borrower.

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(ii) Subject to the rights of the tenants of the mortgaged property, either with or without process of law, forcibly or otherwise, enter upon and take immediate possession of the mortgaged property, expel and remove any persons, goods or chattels occupying or located on the mortgaged property, receive all rents, and issue receipts therefor, manage, control and operate the mortgaged property as fully as borrower might do it 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 reasonable attorneys' and paralegals' fees and all costs and expenses incurred in the protection, care, maintenance, management and operation of the mortgaged property, apply the remaining net income, if any, to borrower'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 in the manner of Paragraph 7.1 by registered mail to the borrower at the address of borrower last appearing on the records of lender. Borrower agrees to surrender possession of the mortgaged property to lender immediately upon the occurrence of an event of default. If borrower shall remain in physical possession of the mortgaged property, or any part thereof, after any such event of default, such possession shall be as a tenant of lender, and borrower agrees to pay to lender, or to any receiver appointed as provided below, after such event of default, a reasonable monthly rental for the mortgaged property, or the part thereof so occupied by the borrower, to be applied as provided above in the first sentence of this sub-paragraph, and to be paid in advance on the first day of each calendar month, and, in default of so doing, borrower may be disposed of by the usual summary proceedings. In the event borrower or borrower's lessee shall so remain in possession of all, or any part of, the mortgaged property, said reason-able monthly rental shall be in amounts established by lender in its sole discretion. This covenant shall be effective irrespective

(i) Declare all of borrower's liabilities immediately due and payable and collect the same at once by foreclosure or otherwise, without notice of broken covenant or condition.

6.2 Upon the occurrence or existence of an event of default, lender, after notice and demand insofar as required hereby, or by applicable law, in its sole discretion and at its sole election, without notice of such election, and without further demand, may do any one or more of the following:

(viii) Failure of borrower to promptly, fully and faithfully to satisfy, perform, discharge, observe and comply with each and every of borrower's obligations which are not otherwise described in subparagraphs 6.1(i) through 6.1(vii) above, which continues for thirty (30) days after written notice thereof specifying the failure to borrower, except that if borrower is proceeding diligently to cure such failure, and in lender's judgment such failure may be cured within a reasonable time and the additional time will not adversely affect lender's security, then while borrower is attempting to cure such failure, such failure shall not be an event of default.

(vii) The occurrence or existence of any default, event of default, or breach of or under any agreement, instrument or document for borrowed money, or the acceleration of any obligation for borrowed money, by which the mortgaged property or the borrower is bound or obligated.

its general partners or the merger, consolidation or reorganization of beneficiary or its general partners.



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6.4 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 (bankruptcy or otherwise) relating to this Mortgage, the Note, the Other Agreements, or Borrower's Liabilities, in which

6.3 Upon the occurrence of an Event of Default under this Mortgage, there will be added to and included as part of Borrower's Liabilities (and allowed in any decree for sale of the Mortgaged Property or in any judgment rendered upon this Mortgage or the Note) the following: the costs, charges, expenses and reasonable attorneys' and other fees specified in Paragraph 6.4 below; 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, and similar data and assurances with respect to the title to the Mortgaged Property; interest at the Default Rate, as provided in the Note upon a default thereunder; 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 of the value of the Mortgaged Property. All such costs, charges, expenses, prepayment or like premiums, fees and other expenditures shall be a part of Borrower's Liabilities, secured by this Mortgage, payable on demand and, except for the aforesaid interest at the Default Rate and the prepayment or like premiums, shall bear interest at the Default Rate from the date of Lender's payment thereof until repaid to Lender.

(iv) Exercising any other remedies or rights permitted or provided under or by the laws or decisions of the State of Illinois (including all remedies and rights of a secured party under the Uniform Commercial Code of the State of Illinois), accruing to a mortgagee and/or secured party in connection with a nonrecourse loan upon a default by a mortgagor and/or debtor or otherwise available in equity or under the Other Agreements.

(iii) File one or more suits at law or in equity for the foreclosure of the lien of this Mortgage. At its option, Lender may foreclose the lien of this Mortgage upon less than all of the Mortgaged Property and specifically reserves the right to bring future foreclosure actions with respect to the balance of the Mortgaged Property or portions thereof. 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 Borrower at the time of application and without regard to the then value of the Mortgaged Property or whether the same is then occupied, to make application for and obtain the appointment of a receiver for the Mortgaged Property. 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 or not, as well as during any further times when Borrower, 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 Property. 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 Borrower's Liabilities.

of whether any foreclosure proceeding shall have been instituted and irrespective of any application for, or appointment of, a receiver.

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6.8 To the full extent Borrower may do so, Borrower agrees that it will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, and Borrower for Borrower and its successors and assigns, and for any

6.7 Lender shall have the right to become the purchaser at any sale, and as purchaser purchasing at any such sale shall have the right to credit upon the amount of the bid made therefor, to the extent necessary to satisfy such bid, the Borrower's liabilities owing to such Lender, or, if such Lender holds less than all of Borrower's liabilities, the pro rata part thereof owing to such Lender, accounting to all other purchasers not joining in such bid in cash for the portion of such bid or bids apportionable to such nonbidding purchaser or purchasers.

6.6 In the event of the commencement of judicial proceedings to foreclose this Mortgage, Borrower, on behalf of itself, its successors and assigns, and each and every person it may legally bind acquiring any interest in or title to the mortgaged property subsequent to the date of this Mortgage; (i) does hereby expressly waive any and all rights of appraisal, valuation, stay, extension and (to the extent permitted by law) redemption from sale under any order or decree of foreclosure of this Mortgage; and (ii) 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 purchaser at such sale a deed conveying the mortgaged property, showing the amount paid therefor, or if purchased by the person in whose favor the order or decree is entered, the amount of his bid therefor. The Borrower acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate, as defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law (Chapter 110, Sections 15-1101 et seq., Illinois Revised Statutes) (herein called the "Act"), or residential real estate, as defined in Section 15-1219 of the Act, and to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed under Section 15-1601(b) of the Act, and to the full extent permitted by law, the benefits of all present and future valuation, appraisal, stay, extension, exemption, redemption and moratorium laws under any state or federal law.

6.5 The proceeds of any sale of the mortgaged property shall be applied and distributed, first, on account of the fees, charges, costs and expenses described in Paragraph 6.3 above, secondly, to the balance of Borrower's liabilities, and thirdly, the surplus, if any, to Borrower. Payment of the purchase to the Lender at any sale shall satisfy the obligation of the purchaser at such sale and such purchaser shall not be bound to look after the application thereof.

Lender has been involved as a result of being the holder or mortgagee, or if Lender shall incur or pay any expenses, costs, charges or reasonable attorneys' and paralegals' fees by reason of the employment of counsel to represent Lender in connection with amendments, modifications or subsequent agreements requested by Borrower, or to represent Lender in connection with any occurrence which results in an event of default, whether in court proceedings or otherwise, such expenses and all of Lender's reasonable attorneys' and paralegals' fees shall be part of Borrower's liabilities, secured by this Mortgage, payable on demand and shall bear interest at the default rate from the date of Lender's payment thereof until repaid to Lender.

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6.12 (A) Any agreements between Borrower and Lender are expressly limited so that, in no event whatsoever, whether by reason of disbursement of the proceeds of the loan evidenced by the Note or otherwise, shall the amount paid or agreed to be paid to Lender for the use, detention or forbearance of the loan proceeds to be disbursed exceed the highest lawful rate permissible under any law which a court of competent jurisdiction may deem applicable thereto.

6.11 Lender shall release this Mortgage by proper instrument upon payment and discharge of all of Borrower's liabilities, including all prepayment or like premiums, if any provided for in the Note and payment of all costs, expenses and fees, including attorneys' fees, incurred by Lender for the preparation, execution and/or recording of such release.

6.10 No right or remedy of Lender hereunder is exclusive of any other right or remedy hereunder or now or hereafter existing at law or in equity, but is cumulative and in addition thereto and the holder of the Note may recover judgment thereon, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting or affecting or impairing the security or any right or remedy afforded by this mortgage. No delay in exercising, or omission to exercise, any such right or remedy will impair any such right or remedy or will be construed to be a waiver of an Event of Default by Borrower hereunder, or acquiescence therein, nor will it affect any subsequent Event of Default hereunder by Borrower of the same or different nature. Every such right or remedy may be exercised independently or concurrently, and when and so often as may be deemed expedient by Lender. No terms or conditions contained in this Mortgage or the Note may be waived, altered or changed except as evidenced in writing signed by Borrower and Lender.

6.9 Lender shall have the right from time to time to bring any action to enforce any rights under the terms of this Mortgage, the Note or the other agreements, without prejudice to the right of the Lender thereafter to bring an action of foreclosure, or any other action, for an Event of Default by the Borrower existing at the time such earlier action was commenced.

and all persons ever claiming any interest in Borrower's liabilities, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisalment, stay of execution, notice of intention to mature or declare due the whole of the Borrower's liabilities, notice of election to mature or declare due the whole of the Borrower's liabilities and all rights to a marshaling of the assets of Borrower, including Mortgaged Property, or to a sale in inverse order of alienation in the event of foreclosure of the liens and security interests hereby created. Borrower shall not have or assert any right under any statute or rule of law pertaining to the marshaling of assets, sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatever, to defeat, reduce or affect the right of the Lender under the terms of this Mortgage to a sale of Mortgaged Property for the collection of the Borrower's liabilities without any prior or different resort for collection, or the right of the Lender under the terms of this Mortgage to the payment of such indebtedness out of the proceeds of sale of Lender in preference to every other claimant whatever. If any law referred to in this paragraph and now in force, of which Borrower or its representatives, successors and assigns and such other persons claiming an interest in Mortgaged Property might take advantage despite this paragraph, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this paragraph.

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6.15 It is understood and agreed that neither the exercise by Lender of any of its rights or remedies under this Mortgage shall be deemed to make Lender a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the mortgaged property or the use, occupancy, enjoyment or operation of all or any portion thereof, unless and until Lender, in person or by agent, assumes actual possession thereof. Nor shall appointment of a receiver for the mortgaged property by any court at the request of Lender or by agreement with Borrower, or the entering into possession of the mortgaged property or any part thereof by such receiver, be deemed to make Lender a mortgagee-in-possession or

6.14 Upon and after the occurrence of an Event of Default under this Mortgage, Lender shall not be obligated to accept any cure or attempted cure by Borrower, except to the extent otherwise specifically provided hereunder or required by applicable law; however, if Lender accepts such cure, Lender shall not exercise rights or remedies under Paragraphs 5 or 6 of this Mortgage unless and until a separate or additional Event of Default then exists hereunder.

6.13 Any failure of Lender to insist upon the strict performance by Borrower of any of the terms and provisions of this Mortgage, the Other Agreements or the Notes shall not be deemed to be a waiver of any of the terms and provisions thereof, and Lender, notwithstanding any such failure, shall have the right at any time or times thereafter to insist upon the strict performance by Borrower of any and all of the terms and provisions thereof to be performed by Borrower. Neither Borrower, nor any other person now or hereafter obligated for the payment of the whole or any part of Borrower's liabilities, shall be relieved of such obligation by reason of the sale, conveyance or other transfer of the mortgaged property or the failure of Lender to comply with any request of Borrower, or of any other person, to take action to foreclose this Mortgage or to sell the mortgaged property or otherwise enforce any of the provisions of this Mortgage, the Other Agreements or the Notes, or by reason of the release, regardless of consideration, of the whole or any part of the security held for Borrower's liabilities, or by reason of any agreement or stipulation between any subsequent owner or owners of the mortgaged property and Lender extending the time of payment or modifying without first having obtained the consent of Borrower or such other person, and, in the latter event, Borrower, and all such other persons, shall continue to be liable on account of Borrower's liabilities and to make such payments according to the terms of any such agreement, extension or modification unless expressly released and discharged in writing by Lender. Lender, without notice, may release, regardless of consideration, any part of the security held for Borrower's liabilities, without, as to the remainder of the security, in any way impairing or affecting the lien of this Mortgage or the priority of such lien over any subordinate lien. Lender may resort for the payment of Borrower's liabilities to any other security therefor held by the Lender in such order and manner as Lender may elect.

(C) The terms and provisions of this Paragraph shall control all other terms and provisions contained herein, in the Note or in the Other Agreements.

(B) If fulfillment of any provision herein or in the Note, at the time performance of such provision becomes due, involves exceeding such highest lawful rate, then ipso facto, the obligation to fulfill the same shall be reduced to such highest lawful rate. If by any circumstance Lender shall ever receive as interest an amount which would exceed such highest lawful rate, the amount which may be deemed excessive interest shall be applied to the principal of Borrower's liabilities and not to interest.



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Rosenthal & Schanfield, P.C.  
55 East Monroe St., Suite 4620  
Chicago, Illinois 60603  
Attention: Steven H. Blumenthal

with a courtesy copy to:

c/o City Real Estate Group  
430 West Erie  
Chicago, Illinois 60610  
Attention: James L. Case

To Borrower:

7.1 Every provision for notice, demand or request required in this Mortgage, the Note or the Other Agreements or by applicable law shall be deemed fulfilled by written notice, demand or request personally served on, mailed or delivered by nationwide courier to the party entitled thereto or on its successors or assigns. If mailed, such notice, demand or request shall be made by certified or registered mail, and deposited in any post office station or letter-box, enclosed in a postage paid envelope addressed to such party at its address set forth below or to such other address as either party hereto shall direct by like written notice and shall be deemed to have been made on the second (2nd) day of posting as aforesaid. If notice is served by nationwide courier, notice shall be deemed made on the first business day following delivery to the courier. For the purposes herein, notices shall be sent to Borrower and Lender as follows:

## 7. MISCELLANEOUS

(C) Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

(B) If any provision of this Mortgage shall grant to Lender any rights or remedies upon default of the Borrower which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of said provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law.

6.17 (A) In the event that any provision in this Mortgage shall be inconsistent with any provision of the Act the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

6.16 If Borrower fails to furnish promptly any financial statement or annual operating statement required by Paragraph 3.3(viii), insurance policies required by Paragraph 4.1 or any other reports or documents required under the Note, this Mortgage or the Other Documents, Borrower covenants and agrees to pay to Lender the sum of TWO HUNDRED FIFTY DOLLARS (\$250.00) as payment of administrative expenses incurred by Lender.

otherwise responsible or liable in any manner with respect to the Mortgaged Property or the use, occupancy, enjoyment or operation of all or any portion thereof.

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To Lender:

Lemont Savings Association  
1151 State Street  
Lemont, Illinois 60439  
Attention: Tricia Lee Brown

with a courtesy copy to:  
Schwartz & Freeman  
Suite 3400  
401 North Michigan Avenue  
Chicago, Illinois 60611  
Attention: Stephen E. Goodman

The failure to deliver or send any courtesy copy provided for above shall not affect the validity and effectiveness of any notice given hereunder. Any person may change the address for the giving of notice by giving notice as provided herein.

7.2 All the covenants contained in this Mortgage will run with the land. Time is of the essence of this Mortgage and all provisions herein relating thereto shall be strictly construed.

7.3 This Mortgage, and all the provisions hereof, will be binding upon and inure to the benefit of the successors and assigns, or heirs and personal representatives, as the case may be, of the Borrower and Lender.

7.4 This Mortgage shall be governed as to validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Illinois.

7.5 Any provision of this Mortgage which is unenforceable in any state in which this Mortgage may be filed or recorded or is invalid or contrary to the law of such state, or the inclusion of which would affect the validity, legality or enforcement of this Mortgage, shall be of no effect, and in such case all the remaining terms and provisions of this Mortgage shall subsist and be fully effective according to the tenor of this Mortgage, the same as though no such invalid portion had ever been included herein.

7.6 As used herein, the term "Default Rate" shall mean an interest rate equal to the lower of (a) the "highest lawful rate" as defined in the Note or (b) the higher of (i) sixteen percent (16%) per annum, or (ii) three percentage points (3%) above the applicable prime rate at the time of default, as further defined in the Note.

7.7 Wherever a power of attorney is conferred upon Lender hereunder, it is understood and agreed that such power of attorney is conferred with full power of substitution, and Lender may elect in its sole discretion to exercise such power itself or to delegate such power, or any part thereof to one or more sub-agents.

7.8 Nothing herein shall be deemed or construed, nor shall the exercise by Lender of any rights, privileges or remedies conferred under this Mortgage, the Note or the Other Agreements, to Lender and Borrower as joint venturers or partners in any way with respect to the Mortgaged Property.

7.9 This Mortgage is executed by the Land Trustee not personally, but as trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such trustee (and Land Trustee warrants that it possesses full power and authority to execute and deliver this instrument), and is payable

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only out of the Premises and other Loan Documents securing the payment hereof by the enforcement of the provisions contained in the Mortgage and other Loan Documents and by enforcement against the Beneficiary. No personal liability shall be asserted or be enforceable against the Land Trustee because of or in respect of this Mortgage or the making, issue or transfer thereof, all such liability, if any, being expressly waived by the Lender, but nothing herein contained shall modify or discharge the personal liability expressly assumed by the Beneficiary, any co-maker or guarantor hereof, and Lender and each successive holder of the Note upon the Land Trustee to request the rents, issues and profits arising from the Premises and other Loan Documents, or the proceeds arising from the sale or other disposition thereof, but that in case of default in the payment of the Note, the sole remedy of the Lender against the Land Trustee shall be by foreclosure of the mortgage and exercise of its rights under the other Loan Documents given to secure the indebtedness evidenced by the Note in accordance with the terms and provisions hereof and other Loan Documents.

7.10 Borrower may not enter into any management agreement for the mortgaged property unless Borrower receives Lender's prior written approval, which approval will not be unreasonably withheld. Upon the execution of any management contract, Borrower shall execute and deliver to Lender a collateral assignment of such management contract in form and substance satisfactory to Lender.

IN WITNESS WHEREOF, the Borrower has executed this Mortgage as of the day and year first above set forth.

HARRIS TRUST AND SAVINGS BANK, as Trustee under a Trust Agreement dated April 10, 1989, and known as Trust No. 94444

ATTEST: Assistant Secretary  
 By: Vice-President

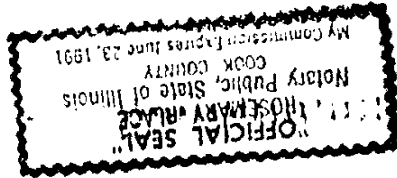
430 ERIE ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership

By: 430 ERIE CORPORATION  
 Its General Partner  
 By: [Signature]

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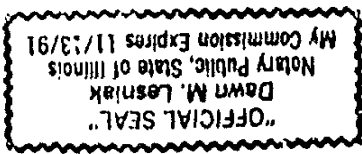


My Commission Expires:

Notary Public  
*Rosemary Place*

Witness my hand and seal, this 25 day of April, 1989.

Before me Rosemary Place, a Notary Public of the state and county aforesaid, personally appeared JAMES L. GASE and CHRISTIAN, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), who, upon oath, acknowledged themselves to be the duly elected general partner of 430 ERIE ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership, and that as such officer of the general partner, being duly authorized so to do, executed the foregoing instrument on behalf of the corporation and the partnership for the purpose therein contained.



STATE OF ILLINOIS )  
) SS.  
) COUNTY OF COOK

*Rosemary Place*

Witness my hand and seal, this 20 day of April, 1988.

Before me DAWN M. LESNIAK, a Notary Public of the state and county aforesaid, personally appeared HERMAN A. KOLF and KENNETH E. PICKER, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), who, upon oath, acknowledged themselves to be the vice president and assistant secretary of HARRIS TRUST AND SAVINGS BANK, an Illinois banking corporation, and that as such officers of the bank, being duly authorized so to do, executed the foregoing instrument on behalf of the bank for the purpose therein contained.

STATE OF ILLINOIS )  
) SS.  
) COUNTY OF COOK

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HONORABLE CLERK OF COURT  
DAVID W. COOK  
COLLECTOR



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(c) In one (1) payment of the full principal balance, together with all accrued and unpaid interest, on the "Maturity Date," which is defined as November 5, 1989 unless the date of maturity hereof is extended pursuant to paragraph 3 hereof.

(b) In five (5) payments consisting of interest only at the floating interest rate on the outstanding principal balance, for the period beginning May 5, 1989 and ending on the Maturity Date, as defined below, with the first of such payments due and payable on June 5, 1989, and in successive payments due and payable on the fifth day of each month thereafter through and including October 5, 1989; provided, however that if the Maturity Date is extended pursuant to paragraph (3) below, payments of interest only shall continue on the fifth day of each month through and including January 5, 1990.

(a) In one (1) payment of interest only on the date of the first disbursement at the "floating interest rate", as defined below, on the outstanding principal balance, for the period beginning on the date of disbursement and ending on May 4, 1989.

FOR VALUE RECEIVED, the undersigned, HARRIS TRUST AND SAVINGS BANK, as Trustee under a Trust Agreement dated April 10, 1989, and known as Trust No. 94444, (the "Land Trustee"), and 430 ERIE ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership (the "Beneficiary") (the Land Trustee and the Beneficiary are collectively referred to herein as the "Borrower"), whose address is 430 West Erie, Chicago, Illinois 60610 hereby promises to pay to the order of LEMONT SAVINGS ASSOCIATION, an Illinois chartered Savings Association with its principal office and place of business located at 151 State Street, Lemont, Illinois 60439 or any successor holder of this Note (hereinafter referred to as "Lender"), at Lender's principal place of business in Lemont, Illinois, or such other place or places as Lender from time to time may designate in writing, the principal sum of Two Million One Hundred Thousand and No/100 Dollars (\$2,100,000.00), or such lesser amount as may be disbursed by Lender, in lawful money of the United States of America (the "Loan"), together with interest from the date of disbursement thereof on the unpaid principal balance thereof from time to time outstanding, bearing interest at, and payable in installments of principal and interest, as follows:

\$2,100,000.00  
April 21, 1989  
Lemont, Illinois

## SECURED PROMISSORY NOTE

EXHIBIT "A" TO  
MORTGAGE AND SECURITY AGREEMENT  
DATED APRIL 21, 1989, FROM  
HARRIS TRUST AND SAVINGS BANK,  
AS TRUSTEE UNDER A TRUST AGREEMENT  
DATED APRIL 10, 1989, AND KNOWN AS TRUST NO. 94444  
and  
430 ERIE ASSOCIATES LIMITED PARTNERSHIP,  
an Illinois limited partnership  
AS BORROWER  
TO  
LEMONT SAVINGS ASSOCIATION

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Interest hereunder shall be computed on the basis of actual days elapsed based upon a three hundred sixty (360) day year. The term "Floating Interest Rate" shall mean a rate equal to one percentage point (1.0%) over the then announced corporate base rate ("Prime Rate") of The First National Bank of Chicago as changing, and adjusted on the 5th day of each month thereafter. In the event The First National Bank of Chicago ceases to announce a corporate base rate, the Prime Rate shall be the higher of the Prime Lending Rate announced from time to time by the American National Bank and Trust Company of Chicago or the Prime Rate of Interest as published from time to time in The Wall Street Journal. It is expressly agreed that the use of the term "Prime Rate" is not intended nor does it imply that said rate of interest is a preferred rate of interest or one which is offered to the most creditworthy customers of either The First National Bank of Chicago or the American National Bank and Trust Company of Chicago. The Floating Interest Rate shall be adjusted on the fifth (5th) day of each calendar month during the term of the Note to reflect the then most recently announced Prime Rate, which rate shall apply through the day before the next scheduled adjustment date (or the Maturity Date, as the case may be). Receipt of a check shall not constitute payment hereunder until such check is fully and finally honored by the bank upon which it is drawn, and any wire transfer of funds shall not constitute payment until actually credited to such bank account of Lender as Lender may from time to time designate. Unless otherwise agreed by Lender, all payments to become due hereunder shall be made by wire transfer, cashier's or certified check, provided that payments may be made hereunder by beneficiary's regular check until such time as a check is dishonored.

1. Security for Note The payment of this Note is secured by all security interests, liens, pledges, assignments and encumbrances concurrently herewith and/or from time to time hereafter granted by or for Borrower to Lender in connection with this Secured Promissory Note (the "Note" or "this Note"), including, but not limited to, the lien evidenced by that certain Mortgage, Assignment of Rents and Security Agreement of even date herewith, encumbering the real estate and building located at 430 West Erie, Chicago, Illinois (the "Premises"), executed by Borrower in favor of Lender to secure payment of this Note (the "Mortgage"), that certain Assignment of Leases and Rents executed by Borrower in favor of Lender, and such other instruments, documents and agreements evidencing and/or securing the payment of this Note as Borrower or any other person executes and delivers to Lender now and from time to time hereafter (collectively referred to as the "Other Agreements"), the Premises, and all other property, rights and assets pledged or given to secure this Note are herein referred to as the "Mortgaged Property". The Mortgage contains a "due on sale" clause, which permits Lender to accelerate this Note and foreclose the Mortgage in the event of any direct or indirect sale of the Mortgaged Property or any interest therein. Such claim is incorporated herein, as though it were written as a part of this Note. The terms and provisions of the Mortgage and the Other Agreements are incorporated herein by this reference thereto.

2. Prepayment. This Note may be prepaid in whole or in part, at any time on or before the Maturity Date, without payment of any penalty or premium.

3. Extension of Maturity Date. Borrower may elect to extend the Maturity Date to February 5, 1990, (in which event, February 5, 1990 shall become the "Maturity Date" for purposes of this Note) on fifteen (15) days written notice of its intention to do so, provided that: (i) Borrower pays Lender a loan extension fee of \$100,000 on delivery of such notice; (ii) in the reasonable opinion

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6. Default Rate of Interest. If any payment or other monies owing to Lender are not paid when due or if Lender declares a default hereunder, then, from (i) the due date of such payment or (ii) the date the default is declared with respect to any non-monetary default, until all accrued, unpaid interest, all prepayment premiums, and any other amounts due hereunder or under any of the

5. Acceleration on Default; Waivers. If any payment due under this Note or any other monies owing hereunder or under the Mortgage or the other Agreements by Borrower to Lender, is not paid when due, or if Borrower otherwise defaults under the terms of this Note, the Mortgage, and/or the other Agreements, (collectively referred to herein as a "default"), then subject to any applicable grace, notice and/or cure periods specifically provided for therein, if any, all indebtedness evidenced by this Note, together with all other monies owing hereunder by Borrower to Lender immediately will be due and payable in full, without notice, at the election of Lender. The acceptance by Lender of any payment, partial or otherwise, made hereunder after the time when it becomes due as herein set forth will not establish a custom or constitute a waiver by Lender of any right to enforce prompt payment thereof or a waiver of any other default or the same default on another occasion. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER HEREBY WAIVES THE APPLICATION OF ANY AND ALL OF ITS RIGHTS AND POWERS UNDER ALL STATUTES OF LIMITATION AND SIMILAR STATUTES AND LAWS AS TO THIS NOTE AND ALL PORTIONS HEREOF. DEMAND, PRESENTMENT FOR PAYMENT, PROTEST AND (EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN) NOTICE OF NON-PAYMENT AND PROTEST HEREBY ARE WAIVED BY BORROWER AND EVERY ENDORSER AND/OR GUARANTOR HEREOF.

(d) "Monthly Cash Flow" is defined as Borrower's gross receipts from the Premises for such month less all normal and customary operating costs and expenses actually paid.

(c) On receipt of such statement of income and expenses, Lender shall disburse the amounts from the Interest Reserve provided for in subparagraph (b) above on the due date of the payment. Amounts disbursed from the Interest Reserve shall be added to the outstanding principal balance hereof, and shall bear interest at the floating interest rate from the date such amounts are disbursed from the Interest Reserve.

(b) Borrower may request that Lender disburse amounts from the Interest Reserve, to a total amount of \$100,000, to pay interest due on the Note with respect to any month to the extent Monthly Cash Flow for the prior month is not sufficient to pay interest due with respect to the prior month, which request shall be made by submitting to Lender on the date such payment is due a statement of income and expenses sufficient to determine Monthly Cash Flow for the prior month, certified as true and correct by Beneficiary.

(a) Lender shall segregate \$100,000 of the proceeds of the loan to establish an "Interest Reserve", to be disbursed as set forth below.

## 4. Interest Reserve.

of the Lender, there has been no adverse change in the financial condition of the Premises, the Borrower, or any guarantors of the debt evidenced hereby; (iii) the Lender has inspected the Premises, and is satisfied, in exercise of its reasonable judgment, with the condition of the Premises; and (iv) no Default hereunder, as defined below, or an Event of Default, as defined in the Mortgage, then exists.

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Other agreements are paid or otherwise satisfied in full, all indebtedness evidenced hereby and other sums secured by or payable under the Mortgage to Lender, shall bear interest at the Default Rate. As used herein, the "Default Rate" means the greater of sixteen percent (16%) per annum or three percent (3%) over the Prime Rate.

7. Fees and Expenses. If Lender employs counsel for advice with respect to this Note, the Mortgage, the Other Agreements or the Mortgaged Property as a result of an act or failure to act of Borrower relating to an actual or potential Default or an Event of Default, or to intervene, file a petition, answer, motion or other pleading in any suit or proceeding (bankruptcy or otherwise) relating to this Note, the Mortgage, the Other Agreements or the Mortgaged Property, or to attempt to collect this Note or said other monies from, or to enforce this Note, the Mortgage or the Other Agreements against Borrower or any other party, then, in any such event, to the extent permitted by law, all of the attorneys' fees and expenses arising from such services, and all expenses, costs and charges relating thereto, shall be an additional liability owing hereunder by Borrower to Lender, payable on demand and bearing interest at the Default Rate, from the date such payment is due or the date of such demand, whichever is earlier, until paid in full to Lender and shall be secured by the lien evidenced by the Mortgage.

8. Late Charge. In the event Lender receives any payment due under this Note after five (5) days after the due date therefor, Lender, at its sole election and in its sole discretion, may collect from Borrower a "late charge" of six cents (\$0.06) for each one dollar (\$1.00) of such delinquent payment. To reimburse Lender for the extra administrative cost and expense involved in handling the late payment, Lender's acceptance of any late charge payment shall not constitute a waiver of any of its rights or remedies or of any Default which may then or thereafter occur or exist hereunder.

9. Interest Limitation. All agreements between Borrower and Lender expressly are limited so that in no contingency or event whatsoever, whether by reason of disbursement of the proceeds hereof or otherwise, shall the amount paid or agreed to be paid by Borrower to Lender for the use, detention or forbearance of the amounts to be disbursed hereunder exceed the highest lawful rate of interest permissible under the law which a court of competent jurisdiction, by a final non-appellable order, determines is applicable hereto ("Highest Lawful Rate"). If fulfillment of any provision herein contained at the time performance of such provision becomes due involves exceeding the Highest Lawful Rate, then, in fact, the obligation to fulfill the same shall be reduced to such Highest Lawful Rate. If by any circumstance Lender shall ever receive as interest an amount which would exceed the Highest Lawful Rate, the amount which may be deemed excessive interest shall be applied to the principal and not to interest, or, if such excessive interest exceeds the unpaid principal under this Note, such excess shall be refunded to Borrower. All interest paid or agreed to be paid to Lender under this Note or any instrument executed in connection with this Note shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full period until payment in full of the principal (including the period of any renewal or extension of this Note) so that the interest on this Note for such full period shall not exceed interest computed at the Highest Lawful Rate. It is Lender's intention that the performance of any provision herein never result in any payments due or paid which involve exceeding the Highest Lawful Rate. The terms and provisions of this Paragraph shall control all other

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15. Land Trustee Liability. This Note is executed by the Land Trustee not personally, but as trustee, in the exercise of the power and authority conferred upon and vested in it and Land Trustee warrants that it possesses full power and authority to execute and deliver this instrument, and is payable only out of the premises and other Loan Documents securing the payment hereof by the enforcement of the provisions contained in the Mortgage and other Loan Documents and by enforcement against the Beneficiary. No personal liability shall be asserted or be enforceable against the Land Trustee because of or in respect of this Note or the making, issue or transfer thereof, all such liability, if any, being expressly waived by the Lender, but nothing herein contained shall modify or discharge the personal liability expressly assumed by the Beneficiary, any co-maker or guarantor hereof, and each original and successive holder of this Note accepts this Note upon the express condition that no duty shall rest upon the Land Trustee

14. Severability. Any provision of this Note which is unenforceable or contrary to applicable law, the inclusion of which would affect the validity, legality or enforcement of this Note, shall be of no effect, and in such case all the remaining terms and provisions of this Note shall be fully effective, the same as though no such invalid provision had ever been included in this Note.

13. Binding Effect. Wherever the term "Borrower" is used in this Note, the term shall include (unless otherwise expressly indicated) all of Borrower's legal representatives, and assigns, as the case may be. This Note shall be binding upon Borrower and shall inure to the benefit of Lender and its successors and assigns.

12. Choice of Law. This Note shall be governed and controlled as to validity, enforcement, interpretation, construction, effect and in all other respects, including, but not limited to, the legality of the interest charged hereunder, by the statutes, laws and decisions of the State of Illinois. Borrower, in order to induce Lender to accept this Note and for other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, HEREBY WAIVES TRIAL BY JURY AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT.

11. Amendments and Modifications. This Note may not be amended or modified, nor shall any revision hereof be effective, except by an instrument in writing expressing such intention executed by Lender and directed to Borrower.

10. Waivers; Continued Liability. It is agreed that the granting to Borrower or any other party of an extension or extensions of time for the payment of any sum or sums due under this Note, the Mortgage or the Other Agreements or for the performance of any term, provision, covenant or agreement of this Note, the Mortgage or the Other Agreements, or the taking or releasing of security or collateral for the payment of this Note or the exercising or failure to exercise of any right or power under this Note, shall not in any way release, affect or alter the liability of Borrower evidenced by this Note.

Other Agreements. If any provision of this Note or the application thereof to any party or circumstance is held invalid or unenforceable, the remainder of this Note and the application of such provision to other parties or circumstances shall not be affected thereby, the provisions of this Note being severable in any such instance.

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BY: 430 ERIE ASSOCIATES LIMITED PARTNER-  
SHIP, an Illinois limited partnership  
BY: 430 ERIE ASSOCIATES CORPORATION  
its

Assistant Secretary

BY: Vice President

ATTEST:

HARRIS TRUST AND SAVINGS BANK, as  
Trustee under a Trust Agreement  
dated April 10, 1989, and known as  
Trust No. 94444

IN WITNESS WHEREOF, the undersigned has executed and delivered  
this Note as of the day and year first above written.

to sequester the rents, issues and profits arising from the Premises  
and other loan documents, or the proceeds arising from the sale or  
other disposition thereof, but that in case of default in the pay-  
ment of this Note, the sole remedy of the Lender against the Land  
Trustee shall be by foreclosure of the Mortgage and the exercise of  
any rights or remedies under the Loan Documents.

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8-10-10

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85181310

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LOTS 15, 16, 17 AND 18 IN BLOCK 10 IN HIGGINS LAW AND COMPANY'S  
ADDITION TO CHICAGO OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION  
9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN,  
IN COOK COUNTY, ILLINOIS.

LEGAL DESCRIPTION

EXHIBIT "B" TO  
MORTGAGE AND SECURITY AGREEMENT  
DATED APRIL 21, 1989, FROM  
HARRIS TRUST AND SAVINGS BANK,  
AS TRUSTEE UNDER A TRUST AGREEMENT  
DATED APRIL 10, 1989, AND KNOWN AS TRUST NO. 94444  
and  
430 ERIE ASSOCIATES LIMITED PARTNERSHIP,  
an Illinois limited partnership,  
AS BORROWER  
TO  
LEMONT SAVINGS ASSOCIATION

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1. Real property taxes not yet due and payable.
2. Rights of tenants in possession.
3. Lis Pendens Notice: City of Chicago v. John P. Sullivan 86 MI 408320, Document Number 86621809.
4. Encroachments of fire escapes over North and West property lines, disclosed by survey of Jens K. Doe Survey Service, Inc. dated April 10, 1989 (the "Survey").
5. Encroachments of bricks, ducts and gutters over West and South property lines, disclosed by the Survey.
6. Encroachments of fire hose connections over West and South property lines, disclosed by the Survey.

## OTHER ENCUMBRANCES

EXHIBIT "C" TO  
 MORTGAGE AND SECURITY AGREEMENT  
 DATED APRIL 21, 1989, FROM  
 HARRIS TRUST AND SAVINGS BANK,  
 AS TRUSTEE UNDER A TRUST AGREEMENT  
 DATED APRIL 10, 1989, AND KNOWN AS TRUST NO. 94444  
 and  
 430 ERIE ASSOCIATES LIMITED PARTNERSHIP,  
 an Illinois limited partnership  
 AS BORROWER  
 TO  
 LEMONT SAVINGS ASSOCIATION

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