

now or hereafter located thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, and any other apparatus, equipment or articles used or useful in the operation of the Premises including all additions, substitutions and replacements thereof. All of the foregoing are declared to be a part of the Real Estate whether physically attached or not. All similar apparatus, equipment, articles and fixtures hereafter placed on the Real Estate by Mortgagor or its successors or assigns shall be considered as constituting part of the Real Estate. (All of the foregoing, together with the Real Estate (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Premises".)

To have and to hold the Premises unto the Lender, its successors and assigns forever, for the purposes and uses set forth herein, free from all rights and benefits under any Homestead Exemption laws of the state in which the Premises is located, which rights and benefits Mortgagor does hereby expressly release and waive.

## COVENANTS & AGREEMENTS

Mortgagor and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Mortgagor shall promptly pay or cause to be paid when due all Secured Indebtedness.

2. Funds for Taxes and Insurance. Subject to applicable law, if requested by Lender after an Event of Default, Mortgagor shall thereafter pay or cause to be paid to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, the following amounts (collectively "Funds"): (i) a sum equal to all general and special real estate and property taxes and assessments (including condominium and planned unit development assessments, if any) and ground rents on the Premises, if any (collectively "Impositions") next due on the Premises, all as estimated by Lender, divided by the whole number of months to elapse before the month prior to the date when such Impositions will become due and payable; provided that in the case of the first such deposit, there shall be deposited in addition an amount which, when added to the aggregate amount of monthly sums next payable under this subparagraph (i), will result in a sufficient reserve to pay the Impositions next becoming due one month prior to the date when such Impositions are, in fact, due and payable, plus (ii) a sum equal to an installment of the premium or premiums that will become due and payable to renew the insurance required in Paragraph 6, each installment to be in such an amount that the payment of approximately equal installments will result in the accumulation of a sufficient sum of money to pay renewal premiums for such insurance at least one (1) month prior to the expiration or renewal date or dates of the policy or policies to be renewed; if any, all as are reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held by Lender or, at Lender's election, in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency ("depository account"). Lender shall apply the Funds to pay the Impositions, except that in the event of default, Lender may apply the Funds to the Secured Indebtedness as Lender sees fit. Lender shall not be required to pay any interest or earnings on the Funds unless otherwise required by law, in which case, all interest shall accrue in the depository account and Lender may charge for so holding and applying the Funds, analyzing the account or verifying and compiling assessments and bills. Upon Mortgagor's request, Lender shall provide to Mortgagor an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit was made. The Funds are pledged as additional security for the sums secured by this Mortgage. The Funds are for the benefit of Mortgagor and Lender only and no third party shall have any right to or interest in the Funds or the application thereof.

If the amount of Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of Impositions, shall

# UNOFFICIAL COPY

89310146

This instrument was prepared by and return after recording to:  
Sherri F. Wolff  
Continental Bank N. A.  
Law Department 105/9th floor  
231 South LaSalle Street  
Chicago, Illinois 60697

COOK COUNTY, ILLINOIS

1989 JUN -7 PM 3:42

89310146

ROY 333

\$27.00

## MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, AND SECURITY AGREEMENT

THIS MORTGAGE is made as of this 16th day of June, 1989 between Chicago Title and Trust Company, not personally, but solely as trustee under Trust Agreement dated July 30, 1979, and known as Trust Number 1075532 ("Mortgagor"), with an office at the address shown opposite its signature below and CONTINENTAL BANK N. A., a national banking association, whose address is 231 South LaSalle Street, Chicago, Illinois 60697 ("Lender").

### RECITALS

WHEREAS, Mortgagor and/or its beneficiaries (collectively and individually, the "Beneficiary") are indebted to Lender in the principal sum of SIX HUNDRED THOUSAND DOLLARS (\$600,000.00), which indebtedness is evidenced by Maker's note dated the date hereof and all modifications, substitutions, extensions and renewals thereof ("Note") providing for repayment of principal and interest and providing for a final payment of all sums due thereunder on June 16, 1994. All obligations on the Note are collectively referred to herein as "Maker".

### THE GRANT

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all charges provided herein and all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage pursuant to, but not limited to paragraph 8 hereof; and the performance of the covenants and agreements contained herein and in the Note, (collectively, the "Secured Indebtedness" or "Indebtedness") and also for other good and valuable consideration, the receipt and sufficiency whereof is acknowledged, Mortgagor does hereby convey, grant, and mortgage to Lender the real estate ("Real Estate") located in the County of Cook, State of Illinois and described on Exhibit A, subject only to the covenants, conditions, easements and restrictions set forth on Exhibit B, if any, ("Permitted Encumbrances"). The Real Estate has the common street address of 19 East Cedar, Chicago, Illinois ("Premises Address");

TOGETHER WITH all buildings, structures, improvements, tenements, fixtures, easements, appurtenances thereunto belonging, title or reversion in any parcels, strips, streets and alleys adjoining the Real Estate, any land or vaults lying within any street, thoroughfare, or alley adjoining the Real Estate, and any privileges pertaining thereunto, all of the foregoing now or hereafter acquired, all leasehold estates and all rents, issues, and profits thereof, for so long and during all such times as Mortgagor, its successors and assigns may be entitled thereto, all the estate, interest, right, title or other claim or demand which Mortgagor now has or may hereafter have or acquire with respect to: (i) proceeds of insurance in effect with respect to the Premises and (ii) any and all awards, claims for damages, judgments, settlements and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Premises, including, without limitation, any awards and compensation resulting from a change of grade of streets and awards and compensation for severance damages (collectively "Awards") (which are each pledged primarily and on a parity with the Real Estate and not secondarily), and all apparatus, equipment or articles

PIN: 17-03-202-010-0000

7193340 D  
207156  
Common

89310146

reasonably require, in amounts (but in no event less than the initial stated principal amount of the Note) equal to the full replacement value of the Premises, fixtures and equipment, plus the cost of debris removal, with full replacement cost amount and inflation guard endorsement;

(b) Comprehensive general public liability insurance against death, bodily injury and property damage arising in connection with the Premises with such limits as the Lender may reasonably require;

(c) During the making of any alterations or improvements to the Premises (i) insurance covering claims based on the owner's or employer's contingent liability not covered by the insurance provided in subsection (b) above and (ii) Worker's Compensation insurance covering all persons engaged in such alterations or improvements;

All insurance shall: (i) be in form and content, and shall be carried in companies approved by Lender; (ii) have attached standard non-contributing mortgagee clauses and with loss payable to Lender; and (iii) require the insurance company or its agent to provide 10 days' advance written notice to Lender before cancellation or material modification. Originals of all policies and renewals (or certificates evidencing the same), marked "paid," shall be delivered to Lender at least thirty (30) days before the expiration of existing policies. Mortgagor shall not carry any separate insurance on such improvements concurrent in kind or form with any insurance required hereunder or contributing in the event of loss without Lender's prior written consent, and any such policy shall have attached standard non-contributing Mortgagee clauses and with loss payable to Lender, and shall meet all other requirements set forth herein. Mortgagor shall give immediate notice of any casualty loss to Lender.

In case of loss covered by any of such policies, Lender is authorized to adjust, collect and compromise in its discretion, all claims thereunder and in such case, the Mortgagor covenants to sign upon demand, or the Lender may sign or endorse on the Mortgagor's behalf, all necessary proofs of loss, receipts, releases, and other papers required by the insurance companies to be signed by the Mortgagor. At the option of the Lender, all or part of the proceeds of any such insurance may be applied to the restoration of the Premises provided the proceeds are sufficient to restore the Premises to substantially the same condition and to equal or greater value as at the date of the loss, otherwise the proceeds shall be applied to the reduction of the Secured Indebtedness. In the event the proceeds are applied to the restoration of the Premises, Lender, at its discretion, may require, if the proceeds are in an amount greater than \$50,000.00, that the proceeds be disbursed through a construction loan escrow with a title company acceptable to Lender in which the title company shall administer disbursement of the proceeds and see to lien waiver clearance. In the event the proceeds of insurance are applied to reduce the Secured Indebtedness, any such application shall constitute a prepayment, and any prepayment premium required by the Loan Documents shall then be due and payable as provided therein. Lender may apply the insurance proceeds to such prepayment premium. In the event the Premises are restored, the Lender may pay the insurance proceeds in accordance with its customary construction loan payment procedures and the Mortgagor agrees in such event to pay the Lender its customary fee for such services.

7. Use, Preservation and Maintenance of Premises. Mortgagor shall keep the Premises in good condition and repair and shall not commit waste or permit impairment or deterioration of the Premises. Mortgagor shall not allow, store, treat or dispose of Hazardous Material as defined in Paragraph 27, nor permit the same to exist or be stored, treated or disposed of, from or upon the Premises. Mortgagor shall promptly restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or destroyed. Mortgagor shall comply with all requirements of law or municipal ordinances with respect to the use, operation, and maintenance of the Premises, including all environmental, health and safety laws and regulations, and shall make no material alterations in the Premises except as required by law, without the prior written consent of Lender. Mortgagor shall not grant or permit any easements, licenses, covenants or declarations of use against the Premises.

8. Protection of Lender's Security. If Mortgagor fails to perform any of the covenants and agreements contained in this Mortgage, the Note or the

# UNOFFICIAL COPY

-3-

exceed the amount required to pay said Impositions and insurance premiums as they fall due, such excess shall be retained by Lender or in the depository account and credited to subsequent monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay the Impositions and insurance premiums as they fall due, Mortgagor shall immediately pay or cause to be paid to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of all Secured Indebtedness, Lender shall promptly refund to Mortgagor, or to any person to whom Mortgagor directs, any Funds held by Lender. If, under Paragraph 19, the Premises are sold or are otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Premises or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the Secured Indebtedness.

3. Application of Payments. Unless prohibited by applicable law, all payments received by Lender under this Mortgage, the Note, the Loan Agreement, if any, and all other documents given to Lender to further evidence, secure or guarantee the Secured Indebtedness (collectively, and as amended, modified or extended, the "Loan Documents") shall be applied by Lender first to payments required from Mortgagor to Lender under Paragraph 2, then to any sums advanced by Lender pursuant to Paragraph 8 to protect the security of this Mortgage, then to interest payable on the Note and to any prepayment premium which may be due, and then to Note principal (and if principal is due in installments, application shall be to such installments in the inverse order of their maturity).

Any applications to principal of proceeds from insurance policies, as provided in Paragraph 6, or of condemnation awards, as provided in Paragraph 10, shall not extend or postpone the due date of any monthly installments of principal or interest, or change the amount of such installments or of the other charges or payments provided in the Note or other Loan Documents.

4. Prior Encumbrances; Liens. Mortgagor shall perform all of Mortgagor's obligations under any mortgage, deed of trust or other security agreement (collectively "Prior Encumbrances") creating a lien having priority over this Mortgage, including Mortgagor's covenants to make payments when due. Any act or omission of Mortgagor which, with the giving of notice or the passage of time would constitute a default or event of default under any Prior Encumbrance or under any ground lease shall be a default under this Mortgage. Mortgagor shall promptly deliver to Lender all notices given or received of any defaults or events of default under any Prior Encumbrance or any ground lease. Although this Paragraph requires Mortgagor to comply with Prior Encumbrances, it does not entitle Mortgagor to create or allow a Prior Encumbrance that would be otherwise prohibited by this Mortgage, such as Prohibited Transfers under Paragraph 17, or prohibited by the other Loan Documents.

Mortgagor shall keep the Premises free from mechanics' and all other encumbrances and liens, except Permitted Encumbrances and statutory liens for real estate taxes and assessments not yet due and payable.

5. Taxes and Assessments; Rents. Mortgagor shall pay or cause to be paid when due all Impositions and water, sewer and other charges, fines and Impositions attributable to the Premises and leasehold payments, if any, and all other sums due under any ground lease attributable to the Premises. Mortgagor shall provide evidence satisfactory to Lender of compliance with these requirements promptly after the respective due dates for payment. Mortgagor shall pay, in full, but under protest in the manner provided by Statute, any tax or assessment Mortgagor desires to contest.

6. Insurance. Mortgagor shall insure and keep insured the Premises against such perils and hazards, and in such amounts and with such limits, as Lender may from time to time require, and, in any event, including:

(a) Insurance against loss to the Premises caused by fire, lightning, windstorms, vandalism, malicious mischief, and risks covered by the so-called "all risk" endorsement and such other risks as the Lender may



hereunder shall inure to, the respective heirs, executors, legal representatives, successors and permitted assigns of Lender and Mortgagor. If this Mortgage is executed by more than one Mortgagor, each Mortgagor shall be jointly and severally liable hereunder.

13. Excess Loan Charges. If the Loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Maker which exceeded permitted limits ("Excess Loan Charges") will, at Lender's option, either be refunded to Maker or applied as a credit against the then outstanding principal balance or accrued and unpaid interest thereon. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. Neither Mortgagor nor any other guarantor or obligor on the Note shall have any action against Lender for any damages whatsoever arising from the payment of Excess Loan Charges.

14. Legislation Affecting Lenders' Rights. If an enactment, modification or expiration of an applicable governmental law, ruling or regulation has the effect of rendering any provision of the Note, this Mortgage or any of the other Loan Documents unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by paragraph 19.

15. Notice. Except for any notice required under applicable law to be given in another manner, any notices required or given under this Mortgage shall be given by hand delivery or by certified mail, return receipt requested. Notices shall be given to Mortgagor at the address provided below with a copy to Jordon Rubens, 19 East Cedar, Chicago, Illinois 60611, and to Lender at Lender's address stated above (Attention: Jon L. Khile - Private Banking, with a copy to Thomas Van Bockum, Law Department). Notices shall be deemed to have been given and effective on the date of delivery, if hand-delivered, or two (2) days after the date of mailing shown on the certified receipt, if mailed. Any party hereto may change the address to which notices are given by notice as provided herein.

16. Governing Law; Severability. The laws of Illinois shall govern the interpretation and enforcement of this Mortgage. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. If any provision or clause of this Mortgage, or the application thereof, is adjudicated to be invalid or unenforceable, the validity or enforceability of the remainder of this Mortgage shall be construed without reference to the invalid or unenforceable provision or clause.

17. Prohibitions on Transfer of the Premises or of an Interest in Mortgagor. It shall be an immediate default if, without the prior written consent of Lender, which consent may be granted or withheld at Lender's sole discretion, Mortgagor shall create, effect or consent to or shall suffer or permit any conveyance, sale (including an installment sale), assignment, transfer, lien, pledge, hypothecation, mortgage, security interest, or other encumbrance or alienation, whether by operation of law, voluntarily or otherwise, (collectively "Transfer") of (1) the Premises or any part thereof or interest therein; or (2) all or a portion of the beneficial interest of Mortgagor or the power of direction; (3) all or a portion of the stock of any corporate beneficiary of a trustee Mortgagor that results or could result in a material change in the identity of the person(s) or entity(ies) previously in control of such corporation (4) all or a portion of an interest in a partnership, or a joint venture interest of a joint venturer in the joint venture, if Mortgagor's beneficiary consists of or includes a partnership or joint venture, that results or could result in a material change in the identity of the person(s) or entity(ies) in control of such partnership or joint venture (each of the foregoing is referred to as a "Prohibited Transfer"). Lender's consent to a sale of the Premises shall not be unreasonably withheld; provided that the proceeds of any such sale are sufficient to pay all Secured Indebtedness due and owing at that time under the Mortgage, Note or other Loan Documents including any prepayment fee due under the Note. Lender's consent to the creation of any secondary financing resulting in a lien being placed against the Premises shall not be unreasonably withheld; provided that the total principal of the Secured

other Loan Documents, or if any action or proceeding is threatened or commenced which materially affects Lender's interest in the Premises, then Lender, at Lender's option, upon notice to Mortgagor, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as it deems expedient or necessary to protect Lender's interest, including (i) making repairs; (ii) discharging Prior Encumbrances in full or part; (iii) paying, settling, or discharging tax liens, mechanics' or other liens, and paying ground rents (if any); (iv) procuring insurance; and (v) renting, operating and managing the Premises and paying operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises shall be operational and usable for its intended purposes. Lender, in making such payments of Impositions and assessments, may do so in accordance with any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of same or into the validity thereof.

Any amounts disbursed by Lender pursuant to this Paragraph 8 shall be a part of the Secured Indebtedness and shall bear interest at the default interest rate provided in the Note (the "Default Rate"). Nothing contained in this Paragraph 8 shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account of this Paragraph 8.

9. Inspection of Premises and Books and Records. Mortgagor shall permit Lender and its representatives and agents to inspect the Premises from time to time during normal business hours upon not less than ten (10) days notice, but not more frequently than once each calendar year, excluding February 1 - April 15 of each calendar year. Mortgagor shall keep and maintain full and correct books and records showing in detail the income and expenses of the Premises. Upon not less than ten (10) days demand, Mortgagor shall permit Lender or its agents to examine and copy such books and records and all supporting vouchers and data at its offices or at the address identified above such examination shall not occur more than once each calendar year, excluding February through April 15 of each calendar year. In the event of an Event of Default Lender shall be permitted to inspect the Premises and examine the books and records upon request.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Premises, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid directly to Lender. Mortgagor hereby grants a security interest to Lender in and to such proceeds. Lender is authorized to collect such proceeds and, at Lender's sole option and discretion, to apply said proceeds either to restoration or repair of the Premises or in payment of the Secured Indebtedness. In the event the Premises are restored, Lender may pay the condemnation proceeds in accordance with its customary construction loan payment procedures, and may charge its customary fee for such services. In the event the condemnation proceeds are applied to reduce the Secured Indebtedness, any such application shall constitute a prepayment, and any prepayment premium required by the Loan Documents shall thereupon be due and payable as provided therein. Lender may apply the condemnation proceeds to such prepayment premium.

11. Mortgagor Not Released; Forbearance by Lender Not a Waiver; Remedies Cumulative. Any extension or other modification granted by Lender to any successor in interest of Mortgagor of the time for payment of all or any part of the Secured Indebtedness shall not operate to release, in any manner, Mortgagor's liability. Any forbearance or inaction by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the later exercise of any such right or remedy. Any acts performed by Lender to protect the security of this Mortgage, as authorized by Paragraph 8 or otherwise, shall not be a waiver of Lender's right to accelerate the maturity of the Indebtedness. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively. No consent or waiver by Lender to or of any breach or default by Mortgagor shall be deemed a consent or waiver to or of any other breach or default.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements contained herein shall bind, and the rights

INDEBTEDNESS AND IMMEDIATELY DUE AND PAYABLE, WITH INTEREST AT THE DEFAULT RATE. THE PROCEEDS OF ANY FORECLOSURE SALE OF THE PREMISES SHALL BE APPLIED AS FOLLOWS: FIRST, TO ALL COSTS, EXPENSES AND FEES INCIDENT TO THE FORECLOSURE PROCEEDINGS; SECOND, AS SET FORTH IN PARAGRAPH 3 OF THIS MORTGAGE; AND THIRD, ANY BALANCE TO MORTGAGOR OR AS A COURT MAY DIRECT.

20. Assignment of Leases and Rents. All right, title, and interest of Mortgagor in and to those leases, if any, listed on Exhibit C ("Identified Leases"), and all present and future leases affecting the Premises, written or oral (collectively, "Leases"), and all rents, income, receipts, revenues, issues, avails and profits from or arising out of the Premises (collectively "Rents") are hereby transferred and assigned to Lender as further security for the payment of the Secured Indebtedness, and Mortgagor hereby grants a security interest to Lender in and to the same. If requested by Lender, Mortgagor shall submit all future Leases affecting the Premises to the Lender for its approval prior to execution, and all approved and executed Leases shall be specifically assigned to Lender by an instrument satisfactory to Lender. Each Lease shall, at the option of Lender, be paramount or subordinate to this Mortgage. Mortgagor shall furnish Lender with executed copies of each Lease and, if requested by Lender, with estoppel letters from each tenant, which estoppel letters shall be in a form satisfactory to Lender and shall be delivered not later than thirty (30) days after Lender's written demand.

If, without Lender's prior written consent, Mortgagor or Beneficiary: (i) as lessor, fails to perform and fulfill any term, covenant, or provision in any Lease; (ii) suffers or permits to occur any breach or default under the provisions of any separate assignment of any Lease given as additional security for the Secured Indebtedness; (iii) fails to fully protect, insure, preserve, and cause continued performance or fulfillment of the terms, covenants, or provisions, which are required to be performed by the lessee or lessor of any other Lease or Leases hereafter assigned to Lender; (iv) cancels, terminates, or materially amends or modifies any Lease; or (v) permits or approves an assignment by lease of a Lease or a subletting of all or any part of the Premises demised in the Lease; then such occurrence shall constitute an Event of Default hereunder.

Lender shall have the right to assign Mortgagor's and Beneficiary's right, title and interest in any Leases to any subsequent holder of this Mortgage or the Note and other Loan Documents or to any person acquiring title to all or any part of the Premises through foreclosure or otherwise.

Upon an Event of Default, this Mortgage shall constitute a direction to each lessee under the Leases and each guarantor thereof, if any, to pay all Rents directly to Lender without proof of the Event of Default. Lender shall have the authority, as Mortgagor's or Beneficiary's attorney-in-fact (such authority being coupled with an interest and irrevocable) to sign the name of Mortgagor and to bind Mortgagor or Beneficiary on all papers and documents relating to the operation, leasing and maintenance of the Premises. While this assignment is a present assignment, Lender shall not exercise any of the rights or powers conferred upon it by this paragraph until an Event of Default shall occur under this Mortgage.

If Mortgagor or Beneficiary as lessor, shall neglect or refuse to perform and keep all of the covenants and agreements contained in the Lease or Leases, then Lender may perform and comply with any such Lease covenants and agreements. All related costs and expenses incurred by the Lender shall become a part of the Secured Indebtedness and shall be due and payable upon demand by Lender with interest thereon accruing thereafter at the Default Rate.

Lender, however, shall not be obligated to perform or discharge any obligation, duty or liability under any Lease. Mortgagor shall, defend, protect, indemnify and hold Lender harmless from and against any and all liability, loss, cost or damage to Lender under the Leases or under or by reason of their assignments and of and from any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any Lease terms, covenants or agreements. The amount of any such liability, loss or damage arising under the Leases or under or by reason of their assignment, or in the defense of any claims or demands, including costs, expenses and reasonable attorneys' fees, incurred by Lender shall be a part of the Secured Indebtedness due and payable upon demand with interest thereon accruing thereafter at the Default Rate.

# UNOFFICIAL COPY

Indebtedness plus the indebtedness secured by such secondary financing does not exceed seventy percent (70%) of the fair market value of the Premises at the time Lender's consent to the secondary financing is sought. Mortgagor shall pay for any appraisal of the Premises which is conducted to determine fair market value. In the event of such default, Lender, at its sole option, may declare the entire unpaid balance, including interest, immediately due and payable.

18. Event of Default. Each of the following shall constitute an event of default ("Event of Default") under this Mortgage:

(a) Mortgagor's or Beneficiary's failure to pay any amount due herein or secured hereby, or any installment of principal or interest when due and payable whether at maturity or by acceleration or otherwise under the Note, this Mortgage, or any other Loan Document, which failure continues for more than ten (10) days after notice by Lender; provided, however, that this grace period shall not apply to the other sub-paragraphs of this Paragraph 18;

(b) Mortgagor's or Beneficiary's failure to perform or observe any other covenant, agreement, representation, warranty or other provision contained in the Note, this Mortgage (other than an Event of Default described elsewhere in this Paragraph 18) or any other Loan Document and such failure continues for a period of twenty-one (21) days after the earlier of Mortgagor's or Beneficiary's becoming aware of such failure or the effective date of notice thereof given by Lender to Mortgagor; provided however, that this grace period shall not apply to the other sub-paragraphs of this Paragraph 18;

(c) A Prohibited Transfer occurs;

(d) Mortgagor or any Beneficiary shall: (i) file a voluntary petition in bankruptcy, insolvency, debtor relief or for arrangement, reorganization or other relief under the Federal Bankruptcy Act or any similar state or federal law; (ii) consent to or suffer the appointment of or taking possession by a receiver, liquidator, or trustee, (or similar official) of the Mortgagor or Beneficiary or for any part of the Premises or any substantial part of the Mortgagor's or Beneficiary's other property; (iii) make any assignment for the benefit of Mortgagor's or Beneficiary's creditors; (iv) fail generally to pay Mortgagor's or Beneficiary's debts as they become due; or (v) a court having jurisdiction shall enter a decree or order for relief in respect of Mortgagor or Beneficiary in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law;

(e) All or a substantial part of Mortgagor's or Beneficiary's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon;

(f) (i) the dissolution or termination of existence of Mortgagor or Beneficiary, if Beneficiary is other than a natural person, voluntarily or involuntarily, whether by reason of death of a general partner of Mortgagor or Beneficiary or otherwise; (ii) the amendment or modification in any respect of Mortgagor's or Beneficiary's articles or agreement of partnership or its corporate resolutions or its articles of incorporation or bylaws that would materially and adversely affect Mortgagor's or Beneficiary's performance of its obligations under the Note, this Mortgage or the other Loan Documents;

(g) This Mortgage shall not constitute a valid lien on and security interest in the Premises (subject only to the Permitted Encumbrances), or if such lien and security interest shall not be perfected; or

(h) The Premises are abandoned.

19. ACCELERATION; REMEDIES. AT ANY TIME AFTER AN EVENT OF DEFAULT, LENDER, AT LENDER'S OPTION, MAY DECLARE ALL SUMS SECURED BY THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS TO BE IMMEDIATELY DUE AND PAYABLE WITHOUT FURTHER DEMAND AND MAY FORECLOSE THIS MORTGAGE BY JUDICIAL PROCEEDING. LENDER SHALL BE ENTITLED TO COLLECT IN SUCH PROCEEDING ALL EXPENSES OF FORECLOSURE, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COSTS INCLUDING ABSTRACTS AND TITLE REPORTS, ALL OF WHICH SHALL BECOME A PART OF THE SECURED



Environmental Response, Compensation, and the Liability Act ("CERCLA"), 42 U.S.C. §9601 et seq.; the Illinois Environmental Protection Act ("Illinois Environmental Act"), Ill. Rev. Stat. ch 111-1/2, §1001 et seq.; (ii) "hazardous wastes", as defined by the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §6902 et seq.; (iii) any pollutant or contaminant or hazardous, dangerous or toxic chemicals, materials, or substances within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirement (including consent decrees and administrative orders) relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, all as amended or hereafter amended; (iv) more than 100 gallons of crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute); (v) any radioactive material, including any source, special nuclear or by-product material as defined at 42 U.S.C. §2011 et seq., as amended or hereafter amended; and (vi) asbestos in any form or condition.

B. Representations. To the best of the Mortgagor's knowledge based on due diligence, Mortgagor hereby represents to Lender that:

1. Compliance. The Premises (which includes underlying groundwater and areas leased to tenants, if any), and the use and operation thereof, have been and are currently in compliance with all applicable laws, ordinances, requirements and regulations (including consent decrees and administrative orders) relating to public health and safety and protection of the environment, including those statutes, laws, regulations, and ordinances identified in subparagraph A. above, all as amended and modified from time-to-time (collectively, "Environmental Laws"). All required governmental permits and licenses are in effect, and Mortgagor is in compliance therewith. All Hazardous Material generated or handled on the Premises has been disposed of in a lawful manner.

2. Absence of Hazardous Material. No generation, manufacture, storage, treatment, transportation or disposal of Hazardous Material has occurred or is occurring on or from the Premises, except as has been disclosed in writing to and approved by Lender. ("Permitted Material"). No environmental or public health or safety hazards currently exist with respect to the Premises or the business or operations conducted thereon. No underground storage tanks (including petroleum storage tanks) are present on or under the Premises except as has been disclosed in writing to and approved by Lender ("Permitted Tanks").

3. Proceedings and Actions. There have been no past, and there are no pending or threatened: (i) actions or proceedings by any governmental agency or any other entity regarding public health risks or the environmental condition of the Premises, or the disposal or presence of Hazardous Material, or regarding any Environmental Laws; or (ii) liens or governmental actions, notices of violations, notices of non-compliance or other proceedings of any kind that could impair the value of the Premises, or the priority of the Mortgage lien or of any of the other Loan Documents.

C. Mortgagor's Covenants. Mortgagor hereby covenants with Lender as follows:

1. Compliance. The Premises and the use and operation thereof, will remain in compliance with all Environmental Laws. All required governmental permits and licenses will remain in effect, and Mortgagor shall comply therewith. All Hazardous Material present, handled or generated on the Premises will be disposed of in a lawful manner. Mortgagor will satisfy all requirements of applicable Environmental Laws for the maintenance and removal of all underground storage tanks on the Premises if any. Without limiting the foregoing, all Hazardous Material shall be handled in compliance with all applicable Environmental Laws.

2. Absence of Hazardous Material. Other than Permitted Material, no Hazardous Material shall be introduced to or handled on the Premises without twenty-one (21) days' prior written notice to Lender.

3. Proceedings and Actions. Mortgagor shall immediately notify Lender and provide copies upon receipt of all written complaints, claims, citations, demands, inquiries, reports, or notices relating to the

# UNOFFICIAL COPY

-9-

21. Appointment of Receiver. Upon acceleration under Paragraphs 17 and 19, and without further notice to Mortgagor, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Premises and to collect the Rents from the Premises including those past due. The receiver shall have the power to collect the Rents from the time of acceleration through the pendency of any foreclosure proceeding and during the full statutory period of redemption, if any. All Rents collected by the receiver shall be applied as the appointing court may direct and, in the absence of such direction, first to payment of the costs and expenses of the management of the Premises and collection of Rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then as provided in Paragraph 3. The receiver shall be liable to account only for those Rents actually received.

22. Release. Upon payment of all Secured Indebtedness, Lender shall release this Mortgage upon payment by Mortgagor of all costs and fees to release same, if any. Mortgagor shall be responsible for recording the release, including all related costs of recordation.

23. Security Agreement. Without limiting any other provisions of this Mortgage, this Mortgage constitutes a Security Agreement under the Uniform Commercial Code of the State of Illinois (herein called the "Code") with respect to all fixtures, apparatus, equipment or articles, and all replacements and substitutions, now or hereafter located on the Premises as set forth in the description of the Premises above, including but not limited to the air-conditioning, heating, gas, water, power, light, refrigeration, and ventilation systems which are presently located at the Premises, and with respect to all Awards, and all Funds and other sums which may be deposited with Lender pursuant hereto (all for the purposes of this paragraph called "Collateral"), and Mortgagor hereby grants to Lender a security interest in such Collateral. All of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Premises. When the Secured Indebtedness shall become due, whether by acceleration or otherwise, Lender shall have all remedies of a secured party under the Code. This Mortgage is intended to be a financing statement with respect to any of the Collateral which constitute "fixtures" within the meaning of the Code. Mortgagor shall execute and deliver to Lender any other financing statements necessary to perfect the security interest in the Collateral created hereby. Any Code requirement for reasonable notice shall be met if such notice is delivered as provided herein at least five (5) days prior to the time of any sale, disposition, or other event or matter giving rise to the notice (which period of time and method of notice is agreed to be commercially reasonable).

24. Waiver of Redemption. Notwithstanding anything to the contrary herein contained, to the fullest extent permitted by the laws of the State of Illinois, Mortgagor hereby waives any and all rights of redemption from sale under any order, judgment or decree of foreclosure, on behalf of Mortgagor, and on behalf of (i) each and every person acquiring any interest in or title to the Premises subsequent to the date of this Mortgage; (ii) any trust estate of which the Premises is a part and all beneficiaries of such trust estate; and (iii) all other persons.

25. Business Loan. Mortgagor hereby represents that: (a) the proceeds of the Secured Indebtedness (the "Loan") will be used for the purposes specified in Section 6404(1)(a) or (c) of Chapter 17 of the Illinois Revised Statutes, as amended; (b) the Loan constitutes a "business loan" within the purview of that Section; (c) the Loan is a transaction exempt from the Truth in Lending Act, 15 U.S.C. §1601, et seq.; and (d) the proceeds of the Indebtedness will not be used for the purchase of registered equity securities within the purview of Regulation "U" issued by the Board of Governors of the Federal Reserve System.

26. Riders. The Condominium Rider, Revolving Credit Rider, Leasehold Financing Rider and all other riders attached hereto, if any, are incorporated herein and made a part hereof.

## 27. Environmental Matters

A. Definitions. For purposes of this Mortgage, "Hazardous Material" means: (i) "hazardous substances", as defined by the Comprehensive

# UNOFFICIAL COPY

-12-

word, or the application thereof, in any circumstances, is adjudicated to be invalid, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included. Time is of the essence of the payment and performance of this Mortgage.

29. Compliance with Illinois Mortgage Foreclosure Law. If any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (Chapter 110, Sections 15-1101 et seq., Illinois Revised Statutes) (the "Act") the provisions of the Act shall take precedence over the Mortgage provisions, but shall not invalidate or render unenforceable any other Mortgage provision that can be construed in a manner consistent with the Act.

If any Mortgage provision shall grant to Lender any rights or remedies upon Mortgagor's default which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of such provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law.

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 or not enumerated in Paragraph 21 of this Mortgage, shall be added to the Indebtedness secured by this Mortgage or by the judgment of foreclosure.

30. Land Trustee Exculpation. This Mortgage is executed by Chicago Title and Trust Company, not personally, but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as Trustee. No personal liability shall be asserted or be enforceable against the Trustee because or in respect of this Mortgage or its making, issue or transfer, and all such liability, if any, is expressly waived by each taker and holder hereof; except that Trustee in its personal and individual capacity warrants that it as trustee possesses full power and authority to execute this instrument. Nothing herein shall modify or discharge the personal liability of any other party. Each original and successive holder of this Mortgage accepts the express condition that no duty shall rest upon the Trustee to sequester the rents, issues and profits arising from the Premises, or the proceeds arising from such Premises's sale or other disposition. In the Event of Default, the sole remedy of the holder, as far as Trustee is concerned, shall be foreclosure of the Mortgage, action against any other security at any time given to secure the payment of the Secured Indebtedness, action to enforce the personal liability of other makers on the Note or the guarantors of the Note, or any other remedies as the holder in its sole discretion may elect.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage

Attest:

By: 

Its: ASST. SECRETARY

Chicago Title and Trust Company, an Illinois Corporation, not personally, but solely as trustee

By: 

Its: ASST. VICE PRESIDENT

Mortgagor's Address:

c/o Sanford Rubens  
707 Skokie Blvd  
Suite 440  
Northbrook, Illinois 60062

# UNOFFICIAL COPY

-11-

condition of the Premises or compliance with Environmental Laws. Mortgagor shall promptly cure and have dismissed with prejudice any such actions and proceedings to the satisfaction of Lender. Mortgagor shall keep the Premises free of any lien imposed pursuant to any Environmental Laws.

4. Environmental Audit. Mortgagor shall provide such information and certifications which Lender may reasonably request from time to time to insure Mortgagor's compliance with this Paragraph 27. To investigate Mortgagor's compliance with Environmental Laws and with this Paragraph, Lender shall have the right, but no obligation, at any time to enter upon the Premises, take samples, review Mortgagor's books and records, interview Mortgagor's employees and officers, and conduct similar activities. Mortgagor shall cooperate in the conduct of such an audit.

D. Lender's Right to Rely. Lender is entitled to rely upon Mortgagor's representations and warranties contained in this Paragraph 27 despite any independent investigations by Lender or its consultants. The Mortgagor and its beneficiary shall take reasonable actions to determine for themselves, and to remain aware of, the environmental condition of the Premises and shall have no right to rely upon any environmental investigations or findings made by Lender or its consultants.

E. Indemnification. Mortgagor agrees to indemnify, defend (at trial and appellate levels and with counsel acceptable to Lender and at Mortgagor's sole cost), and hold Lender and Lender's parent and subsidiary corporations, and their affiliates, shareholders, directors, officers, employees, and agents (collectively, "Lender's Affiliates"), free and harmless from and against all loss, liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind or nature whatsoever (including attorneys' fees at trial and appellate levels and experts' fees and disbursements and expenses incurred in investigating, defending against or prosecuting any litigation, claim or proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against Lender or any Lender's Affiliates in connection with or arising from:

1. any Hazardous Material on, in, under or affecting all or any portion of the Premises, the groundwater, or any surrounding areas;
2. any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement contained or referred to in this Paragraph 27;
3. any violation or claim of violation by Mortgagor of any Environmental Laws; or
4. the imposition of any lien for damages caused by or the recovery of any costs for the cleanup, release or threatened release of Hazardous Material.

The foregoing indemnification shall survive repayment of the Note or any transfer of the Premises by foreclosure or by a deed in lieu of foreclosure. Mortgagor, its successors and assigns, hereby waive, release and agree not to make any claim or bring any cost recovery action against Lender under CERCLA or any state equivalent, or any similar law now existing or hereafter enacted. It is expressly understood and agreed that to the extent that Lender is strictly liable under any Environmental Laws, Mortgagor's obligation to Lender under this indemnity shall likewise be without regard to fault on the part of Mortgagor with respect to the violation or condition which results in liability to Lender.

28. Interpretation. This Mortgage shall be construed pursuant to the laws of the State of Illinois. The headings of sections and paragraphs in this Mortgage are for convenience only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions. The use of singular and plural nouns, and masculine, feminine, and neuter pronouns, shall be fully interchangeable, where the context so requires. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase or





# UNOFFICIAL COPY

## JOINDER TO MORTGAGE BY BENEFICIARY

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, the undersigned, being sole owner of One Hundred Percent (100%) of the beneficial interest in the Land Trust which is the Mortgagor under the foregoing Mortgage, and the sole holder of the power of direction of said Land Trust, joins in the execution of, and hereby:

(a) adopts, consents to, remakes and restates all covenants, representations and warranties contained in the Mortgage, and intends hereby to be personally bound by and liable thereon and for the performance thereof;

(b) consents to and joins in the Security Agreement and the Assignment of Leases and Rents contained in the Mortgage, intending hereby to bind any interest the undersigned and the undersigned's successors and assigns may have in the Premises and the Real Estate described in the Mortgage, any rents, profits and avails of any leases or other agreements relating to any or all of the Real Estate, the Premises, or the other Collateral described in the Mortgage, and any and all personal property and other Collateral described in the Mortgage, as fully and with the same effect as if the undersigned were named as the Mortgagor in the Security Agreement contained in the Mortgage;

(c) agrees to cause Mortgagor to comply fully with and perform all duties, obligations, covenants and agreements undertaken by Mortgagor in the Mortgage;

(d) acknowledges and consents to the restrictions on transfer contained in the Mortgage, including the restrictions on transfer of the beneficial interest in the Trust;

(e) has or will duly authorize and direct Mortgagor to execute and deliver the Mortgage; and

(f) acknowledges and consents to the waiver of the statutory right of redemption, and other waivers of the rights and remedies of Mortgagor or the undersigned contained in the Mortgage.

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the 28 day of June, 1989.

*J.R.*

*Jordan Rubens*  
\_\_\_\_\_  
Jordan Rubens  
*Sanford Rubens*  
\_\_\_\_\_  
Sanford Rubens

STATE OF ILLINOIS )  
                          ) SS.  
COUNTY OF Cook )

This instrument was acknowledged before me on June 28, 1989 by Jordan Rubens and Sanford Rubens.

*Jeanine Jurasz*  
\_\_\_\_\_  
Notary Public

My Commission expires:  
August 25, 1992

" OFFICIAL SEAL "  
JEANINE JURASZ  
NOTARY PUBLIC, STATE OF ILLINOIS  
MY COMMISSION EXPIRES 8/25/92

89310146

# UNOFFICIAL COPY

PAGE 1 OF 1  
(RE: RUBENS)

## EXHIBIT B

### PERMITTED ENCUMBRANCES

1. General real estate taxes for 1988 and subsequent years not yet due and payable
2. Encroachment of 5 story brick building located on the land onto property North and adjoining by 0.05 feet disclosed by survey dated June 3, 1987.

Property of Cook County Clerk's Office

89310146

# UNOFFICIAL COPY

PAGE 1 OF 1  
(RE: RUBENS)

EXHIBIT A  
LEGAL DESCRIPTION

LOT 5 IN AUGUSTIN GAUER'S SUBDIVISION OF THE WEST PART OF  
THE NORTH 1/3 OF BLOCK 3 IN CANAL'S SUBDIVISION OF THE SOUTH  
FRACTIONAL QUARTER OF FRACTIONAL SECTION 3, TOWNSHIP 39  
NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN  
COOK COUNTY, ILLINOIS.

PERMANENT TAX NO: 17-03-202-010-0000

PROPERTY ADDRESS: 19 EAST CEDAR  
CHICAGO, ILLINOIS

89310146



# UNOFFICIAL COPY

PAGE 1 OF 1  
(RE: RUBENS)

## EXHIBIT C

### IDENTIFIED LEASES

19 East Cedar  
Chicago, Illinois

<u>Lessee</u>	<u>Lessor</u>	<u>Date of Lease</u>	<u>Expiration</u>
Douglas Gordon (Apt 4 Front Rear) 5 Front)	Jordon Rubens	5/13/88	5/30/93
Scott Burns (5K)	Jordan and Sanford Rubens	8/10/87	7/31/89
Richard Ahlbach (3R)	Sanford Rubens	4/27/89	5/31/90
Robert Antonio (3F)	Jordan and Sanford Rubens	8/31/88	9/30/89
Carol Klau (2F)	Sanford Rubens	8/4/87	10/31/89
Jordon Rubens (1F)	Sanford Rubens	6/7/89	6/30/90

89310146