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CONSTRUCTION MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTALS

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THIS MORTGAGE, made this 12th day of October, 1990, by LaSALLE NATIONAL TRUST, N.A., a national banking association, not personally but as successor trustee to LaSalle National Bank under Trust Agreement dated October 1, 1961 and known as Trust No. 28684, whose address is 135 South LaSalle Street, Chicago, Illinois 60603 (the "Mortgagor"), unto NBD CHICAGO BANK, an Illinois banking corporation, whose address is 307 North Michigan Avenue, Chicago, Illinois 60601 (the "Mortgagee").

Mortgagor is the land trustee under that certain Illinois Land Trust created pursuant to Trust Agreement dated October 1, 1961 and known as Trust No. 28684 between such land trustee and Joseph J. Freed (as to an undivided sixty percent interest) and Joyco Freed (as to an undivided forty percent interest), as tenants in common (collectively, the "Beneficiaries" and individually, a "Beneficiary"). The Mortgagor and the Beneficiaries are sometimes hereinafter collectively referred to as the "Borrower".

Borrower and Mortgagee are parties to a certain Construction Loan Agreement of even date herewith (the "Loan Agreement") pursuant to which Mortgagee has agreed to loan to Borrower, and Borrower has agreed to borrow from Mortgagee, sums not to exceed Twenty Million Three Hundred Thousand (\$20,300,000.00) Dollars (the "Loan"), which Loan is evidenced by a Mortgage Note in said amount of even date herewith (the "Note") executed and delivered by Mortgagor, as maker, to Mortgagee, as payee.

The Note and the Loan Agreement contain the rate and terms under which interest is due and payable on the Loan. All principal and any accrued interest on the Loan shall be due and payable on that date which is the earlier of (i) thirty-six (36) months from and after the date hereof, or (ii) September 30, 1993, provided that such date may be changed by Mortgagee to June 30, 1991 upon certain terms and conditions set forth in the Loan Agreement (the "Maturity Date"). The terms of the Note and Loan Agreement are incorporated herein by reference.

Mortgagor is the fee owner of the real estate described in Exhibit A attached hereto and is willing to execute this Mortgage for the purpose of encumbering its fee simple title therein as security for the Note and the other things hereinafter described.

W I T N E S S E T H:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that to secure (a) the payment of all principal, interest and fees, now or hereafter due under the Note, and all replacements, renewals or extensions thereof, in whole or in part, and the payment of all other sums which may be at any time due under the Note or this Mortgage (collectively, the "Indebtedness"), (b) the repayment of any advances or expenses of any kind incurred by Mortgagee pursuant to the provisions of, or on account of, the Note, the Loan Agreement or this Mortgage, (c) the repayment of future advances, if any, disbursed by Mortgagee to Mortgagor in accordance with the terms of this Mortgage or Loan Agreement in excess of the principal of the Indebtedness (provided that the total indebtedness secured hereby shall not exceed \$40,600,000.00), and (d) the performance and observance of all of the terms, covenants, provisions and agreements

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of this Mortgage, the Note, the Loan Agreement, the Collateral Assignment of Rents and Leases, the Security Agreement, the Syndication Pledge Agreement, the Environmental Indemnity Agreement and the Collateral Assignment of Beneficial Interest in Illinois Land Trust No. 28684 executed and delivered by Borrower to Mortgagee of even date herewith securing the Note and any other instruments evidencing, securing or executed in conjunction with the Loan, together with any renewals, modifications or extensions thereof (hereinafter collectively called the "Loan Documents"), and to charge the properties, interests and rights hereinafter described with such payment, performance and observance, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Mortgagor, for itself and its heirs, executors, administrators, representatives, successors and assigns, hereby covenants and agrees with Mortgagee, its successors and assigns, as follows:

ARTICLE 1

GRANT

1.01 Mortgagor hereby mortgages, conveys, grants, bargains, sells, releases, assigns, transfers and confirms unto Mortgagee, and grants a security interest to and in favor of Mortgagee in, the real estate described in Exhibit A attached hereto (sometimes hereinafter referred to as the "mortgaged real estate" or the "Land") and the following property, estates and interests, all of which property, estates and interests are hereby pledged primarily and on a parity with the Land and not secondarily:

TOGETHER WITH all buildings, structures and improvements now or hereafter constructed, erected, installed or placed in or upon said Land, and all replacements thereof and additions thereto, and all and singular, the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion or reversions, remainder or remainders thereof, and also all the estate, right, title, interest, property, claim and demand whatsoever of the Mortgagor, of, in and to the same and of, in and to every part and parcel thereof;

TOGETHER WITH all rents, issues, profits, royalties, income and other benefits derived from the Land, subject to the right, power and authority hereinafter given to Mortgagee to collect and apply such rents;

TOGETHER WITH all right, title and interest of Mortgagor in and to all leases or subleases covering the Land or any portion thereof now or hereafter existing or entered into, and all rights, title and interest of Mortgagor thereunder, including, without limitation, all cash or security deposits, advance rentals and deposits or payments of similar nature;

TOGETHER WITH all interests, estates or other claims in law and in equity which Mortgagor now has or may hereafter acquire in the Land;

TOGETHER WITH all easements, rights-of-way and rights pertaining thereto or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH all right, title and interest of the Mortgagor, if any, in and to the Land lying in the bed of any street, road, avenue or alley, opened, proposed, vacated or to be vacated in front of, behind, adjoining or abutting the Land, to the center line thereof, and any and all sidewalks, alleys, strips and gores of land adjacent to or used in conjunction with the Land;

TOGETHER WITH all machinery, apparatus, equipment, appliances, floor covering, furniture, furnishings, supplies, materials, fittings, fixtures and personal property of every kind and nature

whatsoever, now or hereafter located in or upon, affixed to or intended for use in or upon said Land (whether stored thereon or elsewhere), or any part thereof, now owned or hereafter acquired by Mortgagor, and used or usable in connection with any present or future operation or maintenance of said Land, regardless of their classification as fixtures or personal property, and all replacements thereof (the "Equipment"), including, but without limiting the generality of the foregoing, all heating, lighting, ventilating and power equipment, pipes, ducts, pumps, tanks, compressors, engines, motors, conduits, plumbing and cleaning equipment, fire-extinguishing systems, refrigerating and ventilating apparatus, air-cooling and air conditioning apparatus, gas, water and electrical equipment, elevators, escalators, attached cabinets, shelving, partitions, carpeting, communications equipment and all of the right, title and interest of Mortgagor in and to any equipment which may be subject to any title retention or security agreement superior in lien to the lien of this Mortgage. All Equipment hereinabove described shall be deemed part and parcel of said Land, appropriated to the use of said Land and, whether affixed or annexed thereto or not, shall for the purpose of this Mortgage be deemed conclusively to be Land and mortgaged hereby;

TOGETHER WITH any and all awards or payments, including interest thereon, and the right to receive the same which may be made with respect to any of said Land as a result of (a) the exercise of the right of eminent domain, or any proceeding or purchase in lieu thereof, (b) the alteration of the grade of any street, or (c) any other injury to, or decrease in the value of, said Land, to the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by Mortgagee and the costs and disbursements incurred by Mortgagee in connection with the collection of such award or payment. Mortgagor shall execute and deliver, from time to time, such further instruments as may be requested by Mortgagee to confirm such assignment to Mortgagee of any such award or payment.

Any reference herein to the "Premises" shall be deemed to apply to the above-described land and any and all other property and items, including the Equipment, covered hereby and described in the foregoing granting clauses, unless the context shall require otherwise.

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

ARTICLE 2

REPRESENTATIONS

2.01 At the time of the execution and delivery of this Mortgage, Mortgagor has good and marketable title to, and is well seized of, the Premises in fee simple, free from all liens, encumbrances and charges whatsoever, except for the encumbrances shown on Exhibit B attached hereto, and shall forever warrant and defend the same against all claims whatsoever, and the lien created by this Mortgage is a first and prior lien on said land, subject only to those encumbrances and charges recited in Exhibit B. Mortgagor represents that it has good right and full power to mortgage, sell and convey the same and that it has duly executed and delivered this Mortgage pursuant to proper directions and resolutions and that Mortgagor will make any further assurances of title that Mortgagee may reasonably require.

2.02 Mortgagor represents that the proceeds of the Loan are to construct improvements on the mortgaged real estate as more fully described in the Loan Agreement.

ARTICLE 3

MORTGAGOR'S COVENANTS

3.01 Mortgagor further covenants and agrees as follows:

- (a) That this Mortgage is and will be maintained as a valid first mortgage lien on the Premises, and that Mortgagor will not, directly or indirectly, create, suffer or permit to be created or to stand against the Premises, or any portion thereof, or against the rents, issues and profits therefrom, any lien (including any liens arising with respect to the nonpayment of Impositions, as hereinafter defined), security interest, encumbrance or charge, whether prior to or subordinate to the lien of this Mortgage, without the prior written consent of Mortgagee. Mortgagor will keep and maintain the Premises free from all liens of persons supplying labor and materials for the construction, modification, repair or maintenance of any building or site improvement whether on the Land or not. If any such liens shall be filed against the Premises, Mortgagor agrees to discharge the same of record within thirty (30) days after the liens are filed or, if not filed, within thirty (30) days after Mortgagor has notice thereof; provided that in connection with any such lien or claim, Mortgagor may in good faith contest the same in accordance with the provisions of Article 22 hereof.
- (b) To pay the Indebtedness, in accordance with the terms of the Loan Documents, as well as any renewals, modifications or extensions thereof, to pay any other loans or advances hereafter made by Mortgagee to Mortgagor and any other debt secured hereby in accordance with their respective terms, and to punctually perform and observe all of the requirements of all of the Loan Documents.
- (c) To pay, or cause to be paid, when due and payable by Mortgagor:
- (1) all real estate taxes, personal property taxes, assessments, water and sewer rates and charges, and all other governmental levies and charges, of every kind and nature whatsoever, general and special, ordinary and extraordinary, unforeseen as well as foreseen, which shall be assessed, levied, confirmed, imposed or become a lien upon or against the Premises or any portion thereof, and all taxes, assessments and charges upon any of the Loan Documents or upon the rents, issues, income or profits of the Premises, or which shall become payable with respect thereto or with respect to the occupancy, use or possession of the Premises, whether such taxes, assessments or charges are levied directly or indirectly (hereinafter collectively called the "Impositions");
 - (2) all other payments or charges required to be paid to comply with the terms and provisions of this Mortgage and the Loan Agreement.

Unless Mortgagor is diligently pursuing the procedures provided for in Article 22 hereof, within ten (10) days after written demand therefor, Mortgagor shall deliver to Mortgagee the original, or a photostatic copy, of the official receipt evidencing payment of Impositions or other proof of payment satisfactory to Mortgagee. Failure of Mortgagor to deliver to Mortgagee said receipts or to submit other proof satisfactory to Mortgagee as aforesaid shall constitute a default hereunder.

(d) To

- (1) maintain the Premises in good condition and repair, including all on-site paved parking areas, roadways, sidewalks and landscaped areas, if any, and not commit or suffer any waste of the Premises;
 - (2) promptly repair, restore, replace or rebuild any part of the Premises now or hereafter subject to the lien of this Mortgage which may be damaged or destroyed by any casualty whatsoever or which may be affected by any proceeding of the character referred to in Article 6 hereof; provided, however, that unless such repair, restoration, replacement or rebuilding shall be required by leases previously approved by Mortgagee, Mortgagor shall first obtain the prior written approval of Mortgagee before commencing any such repair, restoration, replacement or rebuilding, which approval shall not be unreasonably withheld or delayed;
 - (3) not initiate, join in or consent to any change in any restrictive covenant, zoning ordinance or other public or private restriction limiting or defining the uses which may be made of the Premises, or any part thereof, without the prior written consent of Mortgagee;
 - (4) not construct any buildings or additions on the Premises, other than those permitted by the Loan Agreement, without the prior written consent of Mortgagee;
 - (5) not change the intended use of occupancy of the Premises for which the Improvements are to be constructed in accordance with the Loan Agreement; and
 - (6) within a reasonable time, complete and pay for any additional structure approved by Mortgagee at any time in the process of construction on the Premises.
- (e) To continue and complete the renovation and redevelopment of the improvements as required in the Loan Agreement.
- (f) To obtain and keep in force during the term of this Mortgage insurance in accordance with and as required by this Mortgage and the other Loan Documents.
- (g) So long as the Indebtedness remains outstanding, to comply with all restrictions of record and all regulations, rules, ordinances, statutes, orders and decrees of any governmental authority or court applicable to Mortgagor or applicable to the Premises, or any part thereof, or applicable to any improvements to be constructed on the Premises and the use and occupancy thereof. Mortgagor, at its expense after written notice to Mortgagee, may contest the applicability or validity of any such governmental laws or regulations by appropriate legal proceedings conducted in good faith and with due diligence, provided that (i) neither the Premises, nor any part thereof, nor interest therein, are at any time in danger of being sold or forfeited, (ii) the construction, redevelopment or operation of the retail shopping center on the Premises is not hindered, and (iii) the security of this Mortgage is not in danger of being impaired.
- (h) To promptly perform and observe, or cause to be performed or observed, all of the terms, covenants and conditions of all instruments of record affecting the Premises,

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noncompliance with which might affect the security of this Mortgage or impose any duty or obligation upon Mortgagor, and Mortgagor shall do or cause to be done, all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and right to, in favor of, or constituting any portion of the Premises.

- (i) That it will not do or permit to be done to, or omit to do, or permit the omission of, in, upon or about said Premises, or any part thereof, of anything that may in any way impair the security of this Mortgage.
- (j) To keep the Premises in good condition and free from waste.
- (k) Subject to the rights granted Mortgagor in Article 22 of this Mortgage, to promptly pay and discharge any and all license fees or similar charges, with penalties and interest thereon, which may be imposed by the municipality or county in which the Premises is situated or any other governmental body having jurisdiction thereof and to promptly cure any violation of law and comply with any order of said municipality, county or other governmental body in respect of the repair, replacement or condition of the Premises and any governmental regulations concerning environmental control and improvements, and that in default thereof, Mortgagee may, but shall not be required to, pay any and all such license fees or similar charges or comply with such regulations with penalties and interest thereon, or pay such charges of the municipality, county or other governmental body for such repair or replacement. All amounts so paid and the interest thereon shall thereupon be liens upon the Premises prior to any right or title to, interest in or claim upon the Premises attaching or accruing subsequent to the lien and security interest of this Mortgage and shall be secured by this Mortgage, and Mortgagor will repay the same upon demand, with interest thereon at the Default Rate (defined in the Note).
- (l) That if any action or proceeding is commenced in which Mortgagee in good faith deems it necessary to defend or uphold the validity, enforceability or priority of the lien and interest of this Mortgage or to preserve the value of the security for this Mortgage, all sums paid by Mortgagee for the expense of any such litigation to prosecute or defend the rights, lien and security interest created by this Mortgage (including reasonable attorneys' fees) shall be paid by Mortgagor, together with interest thereon at the greater of (i) the Default Rate (defined in the Note), or (ii) the interest rate then in effect under the Note, and any such sums and the interest thereon shall be a lien and security interest on the Premises prior to any right or title to, interest in or claim upon the Premises attaching or accruing subsequent to the lien and security interest of this Mortgage, and shall be secured by this Mortgage.

ARTICLE 4

WARRANTIES

4.01 Any representation contained in this Mortgage shall be deemed a warranty, and breach of any warranty shall be a default hereunder entitling Mortgagee to accelerate the maturity of the indebtedness secured hereby, in accordance with the provisions of Article 9 of this Mortgage.

ARTICLE 5

INSURANCE

5.01 Mortgagor shall insure the Premises against such perils and hazards, and in such amounts and with such limits, as Mortgagee may from time to time require, and in any event will continuously maintain the following described policies of insurance (the "Insurance Policies"):

- (a) Builder's Risk Insurance on an "all risks" basis for 100% of the insurable value of all construction work in place or in progress from time to time, insuring the Premises, including materials in storage and while in transit, against loss or damage by fire or other casualty, with extended coverage, "X", "C" and "U" coverage, vandalism and malicious mischief coverage, bearing a replacement cost agreed amount endorsement;
- (b) Employer's Liability Insurance;
- (c) Workers' Compensation Insurance;
- (d) Casualty insurance against loss and damage by all risks of physical loss or damage, including fire, windstorm, flood, earthquake and other risks covered by the so-called extended coverage endorsement in amounts not less than the full insurable replacement value of all improvements, fixtures and equipment from time to time on the Premises and bearing a replacement cost agreed amount endorsement;
- (e) Comprehensive public liability against death, bodily injury and property damage, including both primary and excess or umbrella coverage, in an amount not less than Five Million (\$5,000,000.00) Dollars;
- (f) Rental or business interruption insurance in amounts sufficient to pay, for a period of up to one (1) year, all rental amounts required to be paid by tenants pursuant to leases on the Premises;
- (g) Steam boiler, machinery and pressurized vessel insurance (if applicable to the Premises);
- (h) If the Federal Insurance Administration (FIA) has designated the Premises to be in a special flood hazard area and designated the community in which the Premises are located eligible for sale of subsidized insurance, first and second layer flood insurance when and as available; and
- (i) The types and amounts of coverage as are customarily maintained by owners or operators of like property.

5.02 All Insurance Policies herein provided for shall be in amounts, forms and with companies approved by Mortgagee, shall contain provisions indicating that the interest of Mortgagee shall be insured regardless of any breach or any violation by Mortgagor of any warranties, declarations or conditions in such policy, and, regardless of the types or amounts of insurance required and approved by Mortgagee, all such policies shall provide that they may be cancelled only on thirty (30) days' written notice to Mortgagee. Mortgagor shall assign and deliver to Mortgagee all such policies of insurance as collateral and further security for the payment of the debts secured by this Mortgage, with loss payable to Mortgagee pursuant to mortgagee clauses, without contribution, satisfactory to Mortgagee. Renewal policies shall be delivered to Mortgagee, with premiums fully paid, at least thirty (30) days before the expiration of any existing policy, to be held by Mortgagee. In the event of the foreclosure of this Mortgage, any and all insurance policies in force or written during the pendency of said proceedings or during the period of redemption, if any, from said foreclosure proceedings

shall, if no redemption be made therefrom, become the property of the purchaser at any sale pursuant to such foreclosure proceedings. After the right of redemption, if any, has expired, Mortgagor and its successors in title and interest shall have no right, title or interest in and to said insurance policies or insurance or the cash surrender value thereof. Subject to Article 40 hereof, in case of loss, Mortgagee is authorized and empowered, at its option, to collect and receive the proceeds from any policy and, after deduction from such proceeds of any expenses incurred by it in the collection or handling thereof, to apply the net proceeds, at its election, either toward payment of the unpaid balance of the Note, whether then matured or to mature in the future, to be applied on the last maturing installments thereof in the inverse order of their maturity, or to the restoration of the property damaged, provided that Mortgagor is not then or at any time during the course of restoration in default under the Note, this Mortgage or the other Loan Documents, and provided, further, that Mortgagor complies with all requirements for application of such proceeds to restoration of the property damaged as Mortgagee, in its sole discretion, may establish. Any surplus proceeds remaining after completion of such restoration shall be applied toward payment of the unpaid balance of said Note, whether then matured or to mature in the future, to be applied on the last maturing installments thereof.

ARTICLE 6

EMINENT DOMAIN

6.01 Notwithstanding any taking by eminent domain, alteration of the grade of any street or other injury to or decrease in value of the Premises by any public or quasi-public authority or corporation, Mortgagor shall continue to make the required payments on the entire Indebtedness until any such award or payment shall have been actually received by Mortgagee, and any reduction in the principal sum resulting from the application by Mortgagee of such award or payment, as hereinafter set forth, shall be deemed to take effect only on the date of such receipt. Subject to Article 40 hereof, in the event of a partial taking of any single parcel, any such award or payment may, at the option of the Mortgagee, be retained and applied by Mortgagee, without penalty or surcharge, toward payment of the unpaid balance of the Note, to be applied upon the last maturing installments thereof in the inverse order of their maturity, or be paid over wholly or in part to or for the benefit of Mortgagor, subject to its compliance with such requirements as Mortgagee, in its sole discretion, may establish for the application of such award or payment, or part thereof, for the purpose of altering, restoring or rebuilding any part of the Premises which shall have been altered, damaged or destroyed as a result of any such taking, alteration of grade, or other injury to the Premises, or for any other purpose or object satisfactory to Mortgagee. Mortgagee shall not be obligated to see to the application of any amount paid over to Mortgagor, and if, prior to the receipt by Mortgagee of such award or payment, the Premises shall have been sold on foreclosure of this Mortgage, Mortgagee shall have the right to receive said award or payment, to the extent of any deficiency judgment on this Mortgage which shall have been sought and recovered or denied and the reasonable attorney's fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award or payment. Any award or payment for a total taking of any single parcel shall be paid over solely to the Mortgagee and applied by it on the unpaid principal balance of the Note, without penalty or surcharge, and shall be applied on the last maturing installments thereof in the inverse order of their maturity.

ARTICLE 7

PERFORMANCE OF MORTGAGOR'S OBLIGATIONS

7.01 If Mortgagor shall fail to pay any Impositions or to make

any other payment required to be paid by Mortgagor under this Mortgage at the time and in the manner provided in this Mortgage, or if Mortgagor shall be in default in the performance or observance of any other term, covenant, condition or obligation required to be performed or observed by Mortgagor under this Mortgage, any of the other Loan Documents or any instrument of record, then, after the expiration of any applicable grace period, if any, as set forth in any such document or instrument, and without limiting the generality of any other provision of this Mortgage, and without waiving or releasing Mortgagor from any of its obligations hereunder, Mortgagee shall have the right, but shall be under no obligation, to pay any Impositions or other payment, or any sums due under the Loan Agreement or this Mortgage, and may perform any other act or take such action as may be appropriate to cause such other term, covenant, condition or obligation to be promptly performed or observed on behalf of Mortgagor. In any such event, Mortgagee and any person designated by Mortgagee shall have, and is hereby granted, the right to enter upon the Premises at any time and from time to time for the purpose of performing any such act or taking any such action, and all moneys expended by Mortgagee in connection with making such payment or performing such act (including, but not limited to, legal expenses and disbursements), together with interest thereon at the Default Rate (defined in the Note) from the date of each such expenditure, shall be paid by Mortgagor to Mortgagee within ten (10) days after written notice to Mortgagor demanding such payment, and shall be a lien and security interest on the Premises prior to any right or title to, interest in or claim upon the Premises attaching subsequent to the lien and security interest of this Mortgage and shall be secured by this Mortgage, and Mortgagee shall have the same rights and remedies in the event of nonpayment of any such sums by Mortgagor as in the case of a default by Mortgagor in the payment of the indebtedness. Nothing in this article or in any other part of this Mortgage shall be construed to require Mortgagee to make any payment or perform any obligation of Mortgagor or any of them. Any action taken by Mortgagee hereunder or in relation to the Premises is for the sole benefit of Mortgagee and no other person shall rely upon any action, inaction, inspection or other act of Mortgagee in dealing with the Premises or Mortgagor.

ARTICLE 8

REMOVAL OF IMPROVEMENTS AND EQUIPMENT

8.01 Except as provided in the Plans and specifications (defined in the Loan Agreement) heretofore approved by Mortgagee, no building, improvement, Equipment or other property now or hereafter covered by the lien of this Mortgage shall be transferred, conveyed, removed, demolished or materially altered without the prior written consent of Mortgagee, except that Mortgagor may, without such consent, remove and dispose of Equipment covered by the lien of this Mortgage in the ordinary course of its business, provided such Equipment is promptly replaced with comparable Equipment of equal or greater value.

ARTICLE 9

EVENTS OF DEFAULT

9.01 Subject to the provisions of Articles 20 and 22 hereof, the entire Indebtedness shall become due and payable and this Mortgage shall become subject to foreclosure at the option of Mortgagee, without notice, except as otherwise provided herein, if any one or more of the following events shall occur:

- (a) Default by Mortgagor under or in the due and punctual performance of any of the terms, covenants, agreements or conditions contained in this Mortgage or in the event of a default by Mortgagor under any of the Loan Documents; or

- (b) The election by Mortgagee to accelerate the maturity of the Note pursuant to the provisions of the Note or of any other instrument which may be held by Mortgagee as additional security for the Note; or
- (c) Failure to timely pay any installment of principal and/or interest on the Indebtedness; or
- (d) Failure to timely pay when due any Imposition; or
- (e) Failure to assign, deliver or keep in force the policies of insurance herein described or referred to or to reimburse Mortgagee for premiums paid on such insurance, as herein provided; or
- (f) Failure to furnish a statement of the amount due on this Mortgage and whether any off-sets or defenses exist against the mortgage debt, as hereinafter provided; or
- (g) The actual waste, removal or demolition of, or material alteration to, any part of the Premises; or
- (h) The assignment by Mortgagor of the whole or any part of the rents, income or profits arising from the Premises without the prior written consent of Mortgagee; or
- (i) Failure of Mortgagor to remove any Federal tax lien on the Premises, or to bond off or otherwise adequately secure the Premises against said lien; or
- (j) By order of a court of competent jurisdiction, a receiver, liquidator or trustee of Mortgagor, of any Beneficiary, or of Joseph J. Freed, Joyce Freed or Joseph Freed and Associates, Inc., an Illinois corporation (collectively, the "Guarantors" and individually, a "Guarantor"), Guarantors under that certain Guaranty of even date herewith, or of any of their respective property, shall be appointed and shall not have been discharged within thirty (30) days; or
- (k) By decree of such a court, Mortgagor, any Beneficiary or any Guarantor shall be adjudicated bankrupt or insolvent, or any of their respective property shall have been sequestered, and such decree shall have continued undischarged and unstayed for thirty (30) days after the entry thereof; or
- (l) A petition to reorganize Mortgagor, any Beneficiary or any Guarantor pursuant to any bankruptcy or other similar statute applicable to Mortgagor, any Beneficiary or any Guarantor, as now or hereafter in effect, shall be filed, and shall not be dismissed within thirty (30) days after such filing; or
- (m) Mortgagor, any Beneficiary or any Guarantor shall file a petition in voluntary bankruptcy or for an arrangement or reorganization under any provision of any bankruptcy or other similar statute or shall consent to the filing of any such petition; or
- (n) Mortgagor, any Beneficiary or any Guarantor shall make an assignment for the benefit of their respective creditors or shall admit in writing their inability to pay their respective debts generally as they become due; or
- (o) Mortgagor, any Beneficiary or any Guarantor shall consent to the appointment of a receiver, liquidator or trustee of Mortgagor, any Beneficiary or any Guarantor, or of all or any part of their respective property, or if title to, or possession of, the Premises shall pass to any

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receiver, trustee or assignee for the benefit of creditors of Mortgagor, any Beneficiary or any Guarantor; or

- (p) Mortgagor shall institute any proceedings for the dissolution or liquidation of Mortgagor; or
- (q) Any proceedings be instituted for the foreclosure or collection of any mortgage, judgment or lien affecting the Premises; or
- (r) Mortgagor shall sell, transfer or hypothecate any part of the Premises in violation of the terms of this Mortgage; or
- (s) Mortgagor shall violate any of the provisions of any lease or leases now or hereafter covering or affecting the Premises, or any material portion thereof; or
- (t) Mortgagor shall, without the prior written consent of Mortgagee, permit the Premises, or any part thereof, to be operated as a cooperative or condominium in which the tenants or occupants participate in the ownership, control or management thereof as tenants, stockholders or otherwise; or
- (u) Upon the release of any Hazardous Materials (as defined in Article 25) on or from the Premises, or if any proceedings be instituted arising from the release or threat of release of any Hazardous Materials on or from the Premises, or if any citation or administrative order is issued for, or if any fine or penalty is imposed for, or if any proceedings are instituted arising from, the violation of federal, state or local environmental laws, ordinances, rules, regulations or policies; or
- (v) Upon either the (i) filing of formal charges under, or (ii) violation by Mortgagor of, any federal, state or local statute, law or ordinance for which forfeiture of any property mortgaged hereby is a potential penalty; or
- (w) Breach of any of the representations and warranties contained herein or in any of the other Loan Documents.

9.02 If an Event of Default shall occur, Mortgagee may, at its option, exercise any and all of the following remedies:

- (a) Declare the unpaid portion of the Indebtedness to be immediately due and payable, without further notice or demand (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable; or
- (b) Enter upon the Premises and take possession thereof and of all books, records and accounts relating thereto; or
- (c) Appoint a receiver for the Premises, or any part thereof, and of the net income, rents, issues and profits thereof, without regard to the sufficiency of the Premises covered by this Mortgage or any other security, and without the showing of insolvency on the part of Mortgagor or fraud or mismanagement, and without the necessity of filing any judicial or other proceeding for appointment of a receiver; or
- (d) Hold, lease, operate or otherwise use or permit the use of the Premises, or any portion thereof, in such manner, for such time and upon such terms as Mortgagee may deem to be in its best interest (making such repairs,

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alterations, additions and improvements thereto, from time to time, as Mortgagee shall deem necessary or desirable) and collect and retain all earnings, rentals, profits or other amounts payable in connection therewith; or

(e) Sell the Premises, in whole or in part:

- (1) under the judgment or decree of a court of competent jurisdiction; or
- (2) at public auction (if permitted by law) in such manner, at such time and upon such terms as Mortgagee may determine, or as provided by law, and/or sell any personal property, in whole or in part, at one or more public or private sales, in such manner, at such time or times, and upon such terms as Mortgagee may determine or as provided by law; or

(f) Exercise any other remedy specifically granted under any other security agreements or the other Loan Documents or now or hereafter existing in equity, at law, by virtue of statute or otherwise.

9.03 In case Mortgagee shall have proceeded to enforce any right under the Note or the Loan Documents and such proceedings shall have been discontinued or abandoned for any reason, then in every such case Mortgagor and Mortgagee shall be restored to their former positions and the rights, remedies and powers of Mortgagee shall continue as if no such proceedings had been taken.

9.04 In the event Mortgagee (a) grants an extension of time on any payments of the Indebtedness, (b) takes other or additional security for the payment thereof, or (c) waives or fails to exercise any right granted herein or in any other Loan Document, said act or omission shall not release Mortgagor or any subsequent purchaser of the Premises, or any part thereof.

ARTICLE 10

FORECLOSURE

10.01 When the Indebtedness shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof in accordance with the Illinois Foreclosure Act [Illinois Revised Statutes, Chapter 110, §15-1101, et seq. (1987) (the "Act")], and to exercise any other remedies of Mortgagee provided in this Mortgage, the Note, any of the other Loan Documents or which Mortgagee may have at law, in equity, or otherwise. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree of sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee, or holders of the Note, for reasonable attorneys' fees, court costs, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs of procuring title insurance policies (which fees, charges and costs may be estimated as to items to be expended after entry of the decree), and all other expenses which Mortgagee or holders of the Note may deem reasonably necessary to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to, or the value of, the Premises. All expenditures and expenses of the nature described in this section shall, when paid or incurred by Mortgagee or holders of the Note, become so much additional indebtedness secured hereby and shall be immediately due and payable with interest thereon at the rate in effect under the Note. In addition to foreclosure proceedings, the above provisions of this section shall apply to (a) any proceeding to which Mortgagee or the holders of the Note shall

be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any Indebtedness hereby secured; (b) preparations for the commencement of any suit for foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (c) preparation for the defense of or investigation of any threatened suit, claim or proceeding which might affect the Premises or the security hereof, whether or not actually commenced.

10.02 The proceeds of any sale of all or any portion of the Premises and the earnings of any holding, leasing, operation or other use of the Premises shall be applied by Mortgagee in the following order:

- (a) First, to the payment to Mortgagee of the costs and expenses of taking possession of the Premises and of holding, using, leasing, repairing, improving and selling the same;
- (b) Second, to the payment of Mortgagee's attorneys' fees and other legal expenses;
- (c) Third, to the payment of accrued and unpaid interest on the Note and late charges;
- (d) Fourth, to the payment of the balance of the Indebtedness; and
- (e) Any surplus shall be paid to the parties entitled to receive it.

10.03 Mortgagor 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 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 right to reinstatement and redemption as allowed under Section 15-1601(b) of the Act. 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. If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee 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 Mortgagee 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, shall be added to the Indebtedness hereby secured or by the judgment of foreclosure.

ARTICLE 11

RECEIVER

11.01 Upon the filing of a complaint to foreclose this Mortgage or at any time thereafter, the court in which such complaint is filed may appoint, upon petition of Mortgagee and at Mortgagee's sole option, a receiver of the Premises pursuant to the Act. Such appointment may be made either before or after sale, without notice, without regard to solvency or insolvency of Mortgagor at the time of application for such receiver, and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not; and Mortgagee hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have all powers and duties prescribed by the Act, including the power to make leases to be binding upon all parties, including the Mortgagor,

the purchaser at a sale pursuant to a judgment of foreclosure and any person acquiring an interest in the Premises after entry of a judgment of foreclosure, all as provided in the Act. In addition, such receiver shall also have the power to extend or modify any then existing leases, which extensions and modifications may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the Maturity Date of the Note and beyond the date the issuance of deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other provisions to be contained therein, shall be binding upon Mortgagor and all the persons whose interest in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption, reinstatement, discharge of the Indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser. In addition, such receiver shall have the power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits, and such receiver shall have all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the Premises in payment, in whole or in part, of: (a) the Indebtedness or the indebtedness secured by a decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or (b) the deficiency in case of a sale and deficiency.

ARTICLE 12

WAIVER OF REDEMPTION

12.01 To the full extent permitted by law, Mortgagor agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, or take any advantage of any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or after such sale claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights it may have to require that the Premises be sold as separate tracts or units in the event of foreclosure. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption under the Act, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagor and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and such other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Mortgagor agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Mortgagee, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor hereby agrees that no action for

the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note. Mortgagor acknowledges that the Premises do not constitute agricultural real estate as defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act.

ARTICLE 13

TITLE TO EQUIPMENT

13.01 Mortgagor represents and warrants that it owns all Equipment described in this Mortgage free and clear of any and all liens and security interests, except for the lien granted by this Mortgage and other liens and security interests subordinate to the lien of this Mortgage heretofore approved in writing by Mortgagee. Mortgagor further represents and warrants that, as to Equipment hereafter acquired by it, it will own all such Equipment at the time it is brought on the Premises and thereafter free and clear of any and all liens and security interests, except for the lien created by this Mortgage and other liens and security interests subordinate to the lien of this Mortgage approved by Mortgagee in writing.

ARTICLE 14

LEASES

14.01 Mortgagor shall observe and perform all covenants, conditions and agreements contained in any lease or leases now or hereafter affecting the Premises, or any portion thereof, on the part of Mortgagor to be observed and performed. Except pursuant to the terms of any lease or as otherwise consented to by Mortgagee or permitted by any of the other Loan Documents, Mortgagor will neither do, nor neglect to do, nor permit to be done, anything which may cause the modification or termination of any such lease or leases, or of the obligations of any tenant or any person claiming through any tenant thereunder, or which may diminish or impair the value of any such lease or leases, or the rents provided for therein, or the interest of the landlord or of Mortgagee thereunder, and will promptly enforce landlord's remedies thereunder following default by any tenant. Mortgagor, upon request, from time to time, shall furnish to Mortgagee a rent roll and a statement in such reasonable detail as Mortgagee may require, each certified by Mortgagor, pertaining to all leases relating to the Premises and the rents, income and profits therefrom and with conformed true copies of any and all such leases. Mortgagor shall comply, and shall exercise its best efforts to obtain the compliance by all tenants, subtenants or other occupants of the Premises, with all applicable federal, state and local environmental laws, ordinances, rules and regulations and shall obtain and comply with, and shall exercise its best efforts to ensure that all tenants, subtenants and other such occupants obtain and comply with, any and all approvals, registrations or permits required thereunder.

ARTICLE 15

ASSIGNMENT OF RENTS

15.01 Mortgagor, as additional security for the payment of the Indebtedness, insurance premiums and Impositions, at the time and in the manner provided herein, and for the performance of the covenants and agreements contained herein and in the other Loan Documents, does hereby sell, assign, transfer and set over unto Mortgagee all the rents, income, profits, revenues, proceeds and other moneys (collectively, for purposes of this article, the "rents"), whether due or to become due, under all oral or written leases, licenses or other agreements for the use or occupancy of the Premises, or any

part thereof, in existence or coming into existence during the period this Mortgage is in effect, it being the intention hereby to establish an absolute transfer and assignment of the rents to Mortgagee. This assignment and grant shall continue in effect until the Indebtedness and all other sums secured hereby are paid in full and shall run with the Land and be good and valid as against Mortgagor herein, or those claiming by, through or under Mortgagor, from the date of the recording of this Mortgage in Illinois; provided, however, that, subject to the provisions of Section 14 of the Loan Agreement, Mortgagor may collect and retain such rents so long as Mortgagor is not in default hereunder. Mortgagee hereby agrees not to exercise the right to enter the Premises for the purpose of collecting said rents and Mortgagor shall be entitled to collect and receive said rents until the occurrence of a default by Mortgagor under the terms and provisions hereof, provided that any rents collected and received by Mortgagor after the occurrence of a default hereunder which is not cured within any applicable grace period, if any, shall be deemed collected and received by Mortgagor in trust for Mortgagee, and Mortgagor shall account to Mortgagee for the full amount of such receipts. This assignment shall continue to be operative during the foreclosure or any other proceeding taken to enforce this Mortgage. In the event of a sale on foreclosure which shall result in deficiency, this assignment shall stand as security during the redemption period, if any, for the payment of such deficiency. The right of Mortgagor to collect and receive said rents in trust for Mortgagee during the continuance of any default by Mortgagor under the terms and provisions of this Mortgage may be revoked by Mortgagee giving written notice of such revocation to Mortgagor.

In the event of default by Mortgagor under the Loan Documents, Mortgagor shall, upon demand therefor made by Mortgagee, deliver and surrender possession of the Premises to Mortgagee, who shall thereafter collect the rents therefrom, rent or lease said Premises or any portion thereof upon such terms and for such time as it may deem best, terminate any tenancy and maintain proceedings to recover rents or possession of the Premises from any tenant or trespasser, and apply the proceeds of such rent actually collected, less all reasonable costs incurred in making such collection or in renting, leasing, operating or maintaining the Premises and, should Mortgagee actually manage or operate the Premises, less also a management or operating charge of six (6%) percent of all sums so collected, in such order of priority, proportion and upon such item or items as it may determine, to the following purposes:

- (i) Preservation of the Premises;
- (ii) Payment of taxes;
- (iii) Payment of insurance premiums;
- (iv) Payment of installments of interest and/or principal due under the terms of this Mortgage.

In the event that Mortgagor fails, refuses or neglects to deliver or surrender such possession, Mortgagee shall be entitled to the appointment of a receiver of the Premises and of the earnings, issues and rents with such power as the Court making such appointment may confer. The collection by Mortgagee of rents from the Premises shall in no way waive the right of Mortgagee to foreclose the Mortgage in the event of default, and Mortgagee shall be entitled to all of the rights and remedies accorded to a mortgagee by the statutes of the State of Illinois in effect from time to time.

15.02 Mortgagor will, from time to time after notice and demand, execute and deliver to Mortgagee, in form satisfactory to Mortgagee, further agreements reasonably required to evidence its willingness to comply, and its compliance, with the provisions of

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this Article 15. Mortgagor shall pay Mortgagee the expenses incurred by Mortgagee in connection with the recording of any such agreement.

15.03 The assignment contained in this Article 15 is given as collateral security and the execution and delivery hereof shall not in any way impair or diminish the obligations of Mortgagor, nor shall this assignment impose any obligation on Mortgagee to perform any provision of any contract pertaining to the Premises or any responsibility for the non-performance thereof by Mortgagor or any other person. The assignment under this Article 15 is given as a primary pledge and assignment of the rights described herein and such assignment shall not be deemed secondary to the security interest and Mortgage of Mortgagee in the Premises. Mortgagee shall have the right to exercise any rights under this Article 15 before, together with or after exercising any other rights under this Mortgage.

ARTICLE 16

SALE IN PARCELS

16.01 In case of any sale under this Mortgage by virtue of judicial proceedings or otherwise, the Premises may be sold in one parcel and as an entirety or in such parcels, manner and order as Mortgagee, in its sole discretion, may elect.

ARTICLE 17

CROSS-DEFAULT

17.01 The Note secured by this Mortgage is or may also be secured by a Collateral Assignment of Rents and Leases or other security instruments. Any default under any instrument or agreement delivered to evidence or secure the Indebtedness, or executed in conjunction therewith, including the Loan Agreement, shall be deemed an act of default by Mortgagor hereunder, entitling Mortgagee to all remedies granted it upon default hereunder. Any act of default by Mortgagor under this Mortgage shall be deemed an act of default by Mortgagor under any other instrument or agreement evidencing or given to secure the Indebtedness, or executed in conjunction therewith, entitling Mortgagee to all remedies granted it upon default thereunder.

ARTICLE 18

TAX AND INSURANCE ESCROW

18.01 Mortgagor shall, if required to by Mortgagee, pay to Mortgagee, at the time of and in addition to the monthly installments of principal and/or interest due under the Note, a sum equal to one-twelfth (1/12) of (a) the amount estimated by Mortgagee to be sufficient to enable Mortgagee to pay at least thirty (30) days before they become due and payable, all taxes, assessments and other similar charges levied against the Premises, and (b) the amount of the annual premiums on any policies of insurance required to be carried by Mortgagor hereunder. Such monies may be commingled with the general funds of Mortgagee, and no interest shall be payable thereon nor shall such monies be deemed to be held in trust for the benefit of Mortgagor. Upon notice at any time, the Mortgagor will, within ten (10) days, deposit such additional sum as may be required for the payment of such taxes, assessments, charges or premiums. In the event of foreclosure of this Mortgage, any of such monies then remaining on deposit with the Mortgagee or its agents shall be applied against the indebtedness hereby secured, prior to the commencement of foreclosure proceedings. The obligation of Mortgagor to pay taxes, assessments, charges or

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insurance premiums as in this Mortgage specified is not affected or modified by the arrangements set out in this article. Any default by the Mortgagor in the performance of the provisions of this article shall constitute a default under this Mortgage. Mortgagee shall not request the escrow provided for in this Article 18 nor advance funds on a monthly basis into an escrow account from the undisbursed portion of the Loan as long as there is no default by Mortgagor under the Loan Documents and Mortgagor retains title to the Premises. The failure of Mortgagor to perform any of the covenants in this Article 18 shall constitute waste under all applicable laws.

ARTICLE 19

CHANGES IN TAX LAWS; PAYMENT OF OTHER TAXES

19.01 In the event of the passage after the date of this Mortgage of any law applicable to the Premises deducting from the value of land for the purposes of taxation any lien thereon, or changing in any way materially adverse to Mortgagee the laws for the taxation of mortgages or debts secured by mortgages for state or local purposes, or the manner of the collection of any such taxes, the holder of this Mortgage and of the Indebtedness secured hereby shall have the right to give sixty (60) days' written notice to the then owner of the Premises requiring the payment of the Indebtedness. If such notice be given, said Indebtedness shall become due, payable and collectible at the expiration of said sixty (60) days; provided, however, that such requirement of payment shall be ineffective if Mortgagor is permitted by law to pay the whole of such tax in addition to all other payments required hereunder, without any penalty thereby, and if Mortgagor pays such tax prior to the date upon which payment is required by such notice.

19.02 In the event that hereafter it is claimed by any governmental agency that any tax or other governmental charge or imposition is due, unpaid or payable by Mortgagor or Mortgagee upon the Indebtedness (other than income tax on the interest or premium receivable by Mortgagee thereunder), including any recording tax, documentary stamps or other tax or imposition on the Note or Mortgage, Mortgagor will forthwith either (a) pay such tax and, within a reasonable time thereafter, deliver to Mortgagee satisfactory proof of payment thereof, or (b) deposit with Mortgagee the amount of such claimed tax or other governmental charge or imposition, together with interest and penalties thereon, or other security reasonably satisfactory to Mortgagee, pending an application for a review of the claim for such tax or other governmental charge or imposition and, within a reasonable time, deliver to Mortgagee either (i) evidence satisfactory to Mortgagee that such claim has been withdrawn or defeated, in which event any such deposit shall be returned to Mortgagor, or (ii) a direction from Mortgagor to Mortgagee to pay the same out of the deposit above mentioned, with any excess due over the amount of said deposit to be paid by Mortgagor directly to the taxing authority and any excess of such deposit over such payment by Mortgagee to be returned to Mortgagor, provided Mortgagor is not in default under the provisions of this Mortgage. Upon the failure of Mortgagor to comply with the provisions of this section, the entire Indebtedness shall, at the option of Mortgagee, become due and payable ten (10) days after written notice from Mortgagee. If liability for such tax or other governmental charge or imposition is asserted against Mortgagee, Mortgagee will give to Mortgagor prompt notice of such claim and Mortgagor, upon complying with the provisions of this section, shall have the full right and authority to contest such claim.

ARTICLE 20

NOTICE OF DEFAULT

20.01 Anything herein or in the other Loan Documents to the contrary notwithstanding, an Event of Default shall exist in case of

default by Mortgagor in the payment of any sum due under the Note or other Loan Documents, notwithstanding the existence and continuance of such default, only if Mortgagor shall have failed to remedy the default within three (3) days after receipt of notice of such default setting forth with specificity the nature thereof. Anything herein or in the other Loan Documents to the contrary notwithstanding, and except as to those Events of Default identified in subparagraphs 9.01(m) - (r), inclusive, (t) and (w), an Event of Default shall exist in case of default by Mortgagor in any of its other obligations under any of the Loan Documents, notwithstanding the existence and continuance of such default, only if Mortgagor shall have failed to remedy the default within fifteen (15) days after receipt of notice of such default setting forth with specificity the nature thereof; provided, however, that if any such non-monetary default cannot reasonably be cured within the aforesaid fifteen (15) day period (but not beyond the maturity date of the loan set forth in the Mortgage Note), Mortgagor shall have such additional time as Mortgagee, in its sole discretion, may deem reasonably necessary to cure said default, providing Mortgagor is diligently pursuing the cure of said default. Anything herein or in any of the other Loan Documents to the contrary notwithstanding, Mortgagee shall not take any action or exercise any remedy to which it may be entitled against Mortgagor until the occurrence of an Event of Default. Notwithstanding anything to the contrary in this Article 20, Mortgagor shall not be entitled to notice and opportunity to cure before an Event of Default is deemed to exist with respect to any promise, covenant, term or condition in this Mortgage or any of the other Loan Documents which provides a separate cure period as, by way of illustration and not of limitation, paragraph 9.01(i) of this Mortgage. Notwithstanding the foregoing, if, in the reasonable discretion of Mortgagee, a situation arises which requires immediate action by Mortgagee to preserve and protect any collateral given to secure the loan secured by this Mortgage, Mortgagee shall be free to take such action as it reasonably deems appropriate to preserve and protect such collateral without delivery of notice of default to Mortgagor or, if such notice has been delivered, without waiting for the expiration of the applicable grace period.

ARTICLE 21

INSPECTION

21.01 Mortgagee and any persons authorized by Mortgagee shall have the right to enter and inspect the Premises at all reasonable times during normal business hours and upon notice to Mortgagor.

ARTICLE 22

CONTESTING LIENS AND IMPOSITIONS

22.01 Mortgagor, at its expense, may contest, after prior written notice to Mortgagee, by appropriate legal proceedings conducted in good faith and with diligence, the amount or validity or application in whole or in part, of any Impositions described in Section 3.01(c)(1), any license fees or similar charges, or any mechanic's lien filed against the Premises, provided that (a) Mortgagor shall first make all contested payments, under protest if it desires, unless such proceedings shall suspend the collection thereof, or (b) Mortgagor shall have furnished such security, if any, as may be required in the proceedings or reasonably requested by Mortgagee, and (c) neither the Premises, nor any part thereof or interest therein, are at any time in any danger of being sold, forfeited, lost or interfered with.

ARTICLE 23

ASSIGNMENT OF MORTGAGE

23.01 Mortgagee may assign all or any portion of its interest

hereunder, and its rights granted herein and in the Note or Loan Agreement, to any person, trust, financial institution or corporation as Mortgagee may determine and upon such assignment, such assignee shall thereupon succeed to all the rights, interests and options of Mortgagee herein and in the Note or Loan Agreement contained.

ARTICLE 24

CERTIFICATION OF DEBT

24.01 Mortgagor, upon request made either personally or by mail, shall certify, by a writing duly acknowledged, to Mortgagee or to any proposed assignee of this Mortgage, the amount of principal and interest then secured by this Mortgage and whether any off-sets or defenses exist against the mortgage debt. Such certification shall be delivered to Mortgagee within ten (10) days of a request therefor.

ARTICLE 25

TRANSFER

25.01 In the event of the sale or transfer by operation of law, or otherwise, of all or any part of the Premises, Mortgagee is hereby authorized and empowered to deal with any vendee or transferee with reference to said Premises or the debt secured hereby, or with reference to any of the terms or conditions thereof, as fully and to the same extent as it might with Mortgagor, without in any way releasing or discharging Mortgagor from its liability or undertakings hereunder, subject to the other provisions of this Mortgage.

ARTICLE 26

CERTIFIED STATEMENT

26.01 Mortgagor shall furnish, or cause to be furnished, to Mortgagee throughout the life of the loan secured hereby:

- (a) within sixty (60) days after the end of each calendar year, a financial statement satisfactory to Mortgagee reflecting the complete results of the operation of the Premises only (Northpoint Shopping Center), including a statement of annual income and expenses, for the year then ended and stating in comparative form comparable figures as of the end of and for the previous calendar year;
- (b) within one hundred twenty (120) days after the end of each calendar year, a financial statement satisfactory to Mortgagee for each of Joseph J. Freed and Joyce Freed, signed by each of them;
- (c) within thirty (30) days after the end of each semi-annual period (on a calendar year basis), a cash flow statement for each Guarantor covering all income property owned by said Guarantors;
- (d) within ninety (90) days after the end of each calendar year, a financial statement satisfactory to Mortgagee reflecting the complete results of the operations of each and every operating business entity in which either Beneficiary owns an interest, including a statement of income and expenses (i) for the year then ended and stating in comparative form comparable figures for the

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previous year, and further including a calculation of yearly net operating income for the year then ended, and further including a pro forma statement of prospective cash flow for the then current calendar year;

- (e) within fifteen (15) days after the end of each calendar quarter, a quarterly operating statement for Northpoint Shopping Center, and a complete rent roll for the Premises setting forth the rental status thereof, including, but not limited to, the name of each tenant, the area in square feet leased to and occupied by each tenant and the rental being paid; and
- (f) within ten (10) days after the end of each calendar month, a monthly leasing status report for Northpoint Shopping Center.

For purposes of this Article 26, the word "owned" or any derivation thereof, when used with respect to any operating business entity, shall mean each and every operating business entity in which either Beneficiary has an interest, whether by direct ownership or as beneficiaries of a land trust, and whether such interest shall be a general partnership interest, or a general partnership interest or stock ownership interest in an entity which is a general partner in a limited partnership, but shall not include an entity in which such Beneficiary is a limited partner only or a publicly traded corporation in which such Beneficiary holds a minority interest only.

Each such statement shall be in form satisfactory to Mortgagee and shall, as to the statements required by subparagraphs (a) and (b) above, be prepared by a certified public accountant acceptable to Mortgagee or such other preparer as Mortgagee may approve, and as to the statements required by subparagraphs (c) through (f), inclusive, above, be prepared by or on behalf of and be executed by the person or entity for whom or which such statement is submitted. Mortgagor shall also provide to Mortgagee such interim balance sheets and profit and loss statements as to the operation of the Premises as may be required by Mortgagee. Mortgagee will be permitted to examine all books and records of Mortgagor pertaining to the earnings and expenses of the Premises and all supporting vouchers and data at any time at a place within the State of Illinois upon notice to Mortgagor.

ARTICLE 27

EXCESS INTEREST

27.01 Notwithstanding any provision hereof, it is not intended by this Mortgage to impose upon Mortgagor any obligation to pay interest in excess of the maximum rate of interest permitted by law, and any interest which so exceeds such maximum rate of interest shall automatically be applied in reduction of principal due on the Note to the extent of such excess.

ARTICLE 28

NOTICE

28.01 Every provision for notice and demand or request shall be deemed fulfilled by telegraphic or written notice and demand or request and shall be deemed to have been given on the earlier to occur of (a) the time personally served on the parties at their respective addresses set forth above, or (b) the second (2nd) business day after being mailed by U.S. certified mail, return receipt requested, by depositing it in any U.S. post office or mail box, enclosed in a post-paid envelope addressed to the parties at their respective addresses set forth above, or (c) the next business day after being sent by Federal Express or other recognized

overnight courier to the parties at their respective addresses set forth above. A copy of any such demand or notice sent to Mortgagor shall be sent to Rudnick & Wolfe, 203 North LaSalle Street, Chicago, Illinois 60601-1293, Attention: Larry Pachter, Esq., and a copy of any such demand or notice sent to Mortgagee shall be sent to Barris, Sott, Denn & Driker, 211 West Fort Street, Fifteenth Floor, Detroit, Michigan 48226-3281, Attention: William G. Barris, Esq.

ARTICLE 29

PROHIBITION ON SALE OR ENCUMBRANCE

29.01 In the event that Mortgagor, without the prior written consent of Mortgagee, shall transfer, sell, assign, convey or further encumber all or any portion of its title and interest in and to the Premises, or any part thereof, or contract to do any of the foregoing (including, without limitation, options to purchase, installment sales contracts, land contracts or sale leasebacks), or shall ground lease all or any portion of the Premises or change the legal possession thereof, or shall be divested of its title, or any interest therein, in any manner or way, whether voluntary or involuntary, then, upon occurrence of any such event, and irrespective of the maturity date expressed in the Note, the entire principal balance of the Note remaining at the time unpaid, together with accrued interest thereon shall, at the election of Mortgagee and without notice of such election or demand or presentment, become immediately due and payable. Any change in the legal or equitable title to the Premises or in the beneficial ownership of the Premises, whether or not of record, and whether or not for consideration, which results in either of them no longer being a beneficiary of the Mortgage shall be deemed a transfer of interest in the Premises. In connection herewith, the financial stability of Mortgagor is a substantial and material consideration to Mortgagee in its agreement to make the loan secured hereby to Mortgagor. Mortgagor acknowledges that the transfer of an interest in the Premises may significantly or materially alter or reduce Mortgagee's security for the indebtedness secured hereby.

29.02 Anything in Section 29.01 to the contrary notwithstanding, Mortgagee hereby approves the granting by Mortgagor of a mortgage, not to exceed Three Million (\$3,000,000.00) Dollars in principal amount, to Joyce Freed to secure her Three Million (\$3,000,000.00) Dollar equity contribution to Mortgagor; provided, however, that (a) said mortgage shall be subordinate to this Mortgage, and (b) said mortgage shall provide that Joyce Freed shall release and fully discharge such mortgage on or before June 30, 1991.

ARTICLE 30

APPLICABLE LAW

30.01 Any proceedings for the foreclosure of this Mortgage or the enforcement of any rights conferred on Mortgagee under the terms hereof shall be governed by the laws of the State of Illinois.

ARTICLE 31

DEFINITIONS

31.01 Wherever used in this Mortgage, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the word "Mortgagor" shall mean "Mortgagor and/or any individual mortgagor and/or any subsequent owner or owners of the Premises", the word "Mortgagee" shall mean "Mortgagee or any subsequent holder or holders of this Mortgage", and the word "person" shall mean "an individual, corporation, partnership or unincorporated association". Whenever and wherever the singular

number is used herein it shall include the plural and vice-versa, as the context may require, and the pronouns "he" or "it" referring to the Mortgagor shall also include "he", "she", "they" or "it" as the context may require.

ARTICLE 32

MARGINAL HEADINGS

32.01 The marginal headings are inserted merely for convenience and shall not modify the terms of this instrument in any respect.

ARTICLE 33

SEPARABILITY OF PROVISIONS

33.01 The invalidity of any of the covenants, phrases or clauses in this Mortgage shall not affect the remaining portions hereof, and this Mortgage shall be construed as if such invalid covenant, phrase or clause had not been contained herein.

ARTICLE 34

FUTURE ADVANCES

34.01 Mortgagor has executed and delivered to Mortgagee a Construction Loan Agreement of even date herewith relating to the construction or redevelopment of certain improvements upon the Premises and the disbursement of all or part of the Indebtedness for the purpose of financing a portion of the costs thereof. The Loan Agreement is hereby incorporated herein by this reference as fully and with the same effect as if set forth herein at length. This Mortgage secures all funds advanced pursuant to the Loan Agreement (which advances shall constitute part of the Indebtedness, whether more or less than the principal amount stated in the Note) and the punctual performance, observance and payment by Mortgagor of all of the requirements of the Loan Agreement to be performed, observed or paid by Mortgagor. In the event of express and direct contradiction between any of the provisions of the Loan Agreement and any of the provisions contained herein, then the provisions contained in the Loan Agreement shall control. Any warranties, representations and agreements made in the Loan Agreement by Mortgagor shall survive the execution and recording of this Mortgage and shall not merge herein.

34.02 At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures as part of the Indebtedness the payment of all loan commissions, service charges, liquidated damages attorney's fees, expenses and advances due or to be incurred by Mortgagee in connection with the Indebtedness, all in accordance with the Note, this Mortgage and the Loan Agreement; provided, however, that in no event shall the total amount of the Indebtedness, including loan proceeds disbursed plus any additional charges, exceed two hundred (200%) percent of the face amount of the Note. Mortgagor acknowledges that Mortgagee has bound itself to make advances pursuant to the Loan Agreement and that all such future advances shall be a lien from the time this Mortgage is recorded, as provided in the Act.

ARTICLE 35

SECURITY AGREEMENT

35.01 Mortgagor and Mortgagee agree that this Mortgage shall constitute a Security Agreement within the meaning of the Illinois Uniform Commercial Code (hereinafter referred to as the "Code") with respect to (i) all sums at any time on deposit for the benefit of

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Mortgagee or held by Mortgagee (whether deposited by or on behalf of Mortgagor or anyone else) pursuant to any of the provisions of the Mortgage or the Loan Agreement, and (ii) with respect to any personal property included in the granting clauses of this Mortgage, which personal property may not be deemed to be affixed to the Premises or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code) (which property is hereinafter referred to as "Personal Property"), and all replacements of, substitutions for, additions to and the proceeds thereof (all of said Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as the "Collateral"), and that a security interest in and to the Collateral is hereby granted to Mortgagee, and the Collateral and all of Mortgagor's right, title and interest therein are hereby assigned to Mortgagee, all to secure payment of the Indebtedness. All of the provisions 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, and the following provisions of this paragraph shall not limit the applicability of any other provision of this Mortgage, but shall be in addition thereto:

- (a) Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof, other liens and encumbrances benefiting Mortgagee and no other party, and liens and encumbrances, if any, expressly permitted by the Loan Agreement;
- (b) The Collateral is to be used by Mortgagor solely for business purposes;
- (c) The Collateral will be kept at the Land, and, except for Obsolete Collateral (as hereinafter defined), will not be removed therefrom without the consent of Mortgagee (being the Secured Party as that term is used in the Code). The Collateral may be affixed to the Land but will not be affixed to any other real estate.
- (d) The only persons having any interest in the Premises are Borrower, Mortgagee and holders of interests, if any, expressly permitted by the Loan Agreement;
- (e) No Financing Statement (other than Financing Statements showing Mortgagee as the sole secured party, or with respect to liens or encumbrances, if any, expressly permitted by the Loan Agreement) covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor will, at its own cost and expense, upon demand, furnish to Mortgagee such further information and will execute and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee and will do all such acts as Mortgagee may at any time or from time to time request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness, subject to no other liens or encumbrances, other than liens and encumbrances benefiting Mortgagee and no other party and liens and encumbrances (if any) expressly permitted by the Loan Agreement; and Mortgagor will pay the cost of filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by Mortgagee to be desirable.
- (f) Upon default hereunder, Mortgagee shall have the remedies of a secured party under the Code, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Mortgagor can give

authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any place which the Collateral, or any part thereof, may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the Code. Mortgagee may render the Collateral unusable without removal and may dispose of the Collateral on the Premises. Mortgagee may require Mortgagor to assemble the Collateral and make it available to Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Mortgagee will give Mortgagor at least thirty (30) days' notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, at the address of Mortgagor hereinabove set forth at least thirty (30) days before the time of the sale or disposition. Mortgagee may buy at any public sale. Mortgagee may buy at private sale if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the Premises. If Mortgagee so elects, the Premises and the Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the reasonable attorneys' fees and legal expenses incurred by Mortgagee, shall be applied against the Indebtedness in such order or manner as Mortgagee shall select. Mortgagee will account to Mortgagor for any surplus realized on such disposition.

- (g) The terms and provisions contained in this Article 35 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code.
- (h) This Mortgage is intended to be a financing statement within the purview of Section 9-402(6) of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Premises. The address of Mortgagor (debtor) and Mortgagee (secured party) are hereinabove set forth. This Mortgage is to be filed for record with the Recorder of Deeds of the County or Counties where the Premises are located. Mortgagor is the record owner of the Premises.
- (i) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all leases between Mortgagor or its agents, as lessor, and various tenants named therein, as lessee, including all extended terms and all extensions and renewals of the terms thereof, as well as any amendments to or replacements of said leases, together with all of the right, title and interest of Mortgagor, as lessor thereunder.

ARTICLE 36

BUSINESS LOAN

36.01 The proceeds of the Note will be used for the purposes

specified in Illinois Revised Statutes, Chapter 17, ¶6404 (1987), and the principal obligation secured hereby constitutes a "business loan" coming within the definition and purview of said section.

ARTICLE 37

TRUSTEE'S EXCULPATORY CLAUSE

37.01 This Mortgage is executed by the undersigned, not personally, but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Trustee hereby warrants in its individual capacity that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on said Trustee personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, representation, agreement or condition, either express or implied herein contained, or with regard to any warranty contained in this Mortgage except the warranty made in this paragraph, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right to security hereunder; provided that nothing herein contained shall be construed in any way so as to affect or impair the lien of this Mortgage to Mortgagee's right to the foreclosure thereof, or construed in any way so as to limit or restrict any of the rights and remedies of Mortgagee in any such foreclosure proceedings or other enforcement of the payment of the Indebtedness out of and from the security given therefor in the manner provided herein, or construed in any way so as to limit or restrict any of the rights and remedies of Mortgagee under any other document or instrument evidencing, securing or guarantying the Indebtedness.

ARTICLE 38

WAIVER OF JURY TRIAL

38.01 Mortgagor acknowledges that the right to trial by jury is a constitutional one, but that it may be waived. Mortgagor, after consulting counsel of its choice (or having had the opportunity to consult with counsel), knowingly, voluntarily and without coercion, waives all rights to a trial by jury of all disputes between Mortgagor and Mortgagee.

ARTICLE 39

ACTIVITIES OF MORTGAGOR

39.01 In order to induce Mortgagee to make the loan evidenced by the Note, Mortgagor represents and warrants to Mortgagee that (i) all of its business activities have been and will be conducted in compliance with, and in the conduct of its business it has not and will not violate, any applicable statutes, laws and ordinances, including, but not limited to, any federal, state or local statute, law or ordinance for which forfeiture of any property mortgaged hereby is a potential penalty, (ii) the proceeds of the loan evidenced by the Note will be used by Mortgagor strictly for legal uses and purposes, and (iii) there are not now any pending, nor has Mortgagor received notice of any threatened, proceedings under any federal, state or local statute, law or ordinance for which forfeiture of any property mortgaged hereby is a potential penalty. Mortgagor further covenants to and with Mortgagee that it will not violate any federal, state or local statute, law or ordinance for which forfeiture of any property mortgaged hereby is a potential penalty and will immediately provide Mortgagee with notice of the filing of formal charges under, or any pending or threatened legal action relating to, any such statute, law or ordinance.

ARTICLE 40

USE OF CONDEMNATION AND INSURANCE PROCEEDS TO REBUILD

40.01 Notwithstanding any provision in Article 5 or Article 6 hereof to the contrary, in the event any proceeds become available as a result of the condemnation of all or any part of the Premises, or any insurance proceeds become available as a result of any hazard insurance loss, Mortgagee will make such proceeds available to Mortgagor for use in the repair and restoration of the Premises to the condition existing immediately prior to the condemnation or loss, or such other condition as Mortgagee may approve in writing, upon the following terms and conditions:

- (a) No Event of Default shall have occurred under this Mortgage or the other Loan Documents;
- (b) Mortgagee shall approve in writing plans and specifications of an architect satisfactory to Mortgagee and contractor's cost estimates by contractors satisfactory to Mortgagee;
- (c) Such proceeds are deemed sufficient by Mortgagee, based upon a restoration budget (as hereinafter defined), to pay all costs of, and expenses incidental to, such repair or restoration and, if such proceeds shall be deemed insufficient to pay same, Mortgagor shall deposit with Mortgagee such additional sums as Mortgagee deems necessary, in its reasonable judgment, when combined with such proceeds to pay such costs and expenses. The restoration budget shall be in the form of a line item budget comparable to the Cost Budget attached to the Loan Agreement and shall include, but not be limited to, line items for an interest reserve during restoration and all tenant improvements which constitute a part of the restoration project;
- (d) Such proceeds shall be disbursed by advances conforming to the requirements for advances set forth in the Loan Agreement (except that the restoration budget set forth in subparagraph (c) above shall be applicable), which requirements shall survive the termination of the Loan Agreement for purposes of this subparagraph;
- (e) Mortgagee shall be satisfied that Jewel/Osco and Toys "R" Us will remain as tenants under their existing leases after restoration is completed;
- (f) Mortgagee shall be entitled to deduct from each such advance all costs reasonably incurred by Mortgagee in connection therewith;
- (g) Mortgagor shall not be entitled to any interest on any such proceeds while held by Mortgagee pending disbursement in accordance herewith; and
- (h) The written amendment of any buy-sell or tri-party agreement hereafter executed between Mortgagor, Mortgagee and any permanent lender, in form and manner satisfactory to Mortgagee, so that such application of condemnation or insurance proceeds or any delays in the completion of the Improvements (as defined in the Loan Agreement) will not affect, impair or change the obligations of the permanent lender under such agreement.

ARTICLE 41

MISCELLANEOUS

41.01 Mortgagor further covenants and agrees:

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- (a) To notify Mortgagee promptly of any damage to the Premises, or any part thereof, in excess of Ten Thousand (\$10,000.00) Dollars;
- (b) That it will grant no parking rights in the Premises other than those provided for in existing leases, except with Mortgagee's prior written consent, and that if any part of the automobile parking areas within the Premises is taken by condemnation or otherwise, or before said areas are otherwise reduced, Mortgagor will provide parking facilities in kind, size and location to comply with all leases, and in so doing will comply with all requirements pertaining thereto which Mortgagee may reasonably establish; and
- (c) That should the Premises at any time be or become subject to the lien of any mortgage or deed of trust in connection with which payments on account of the Indebtedness are to be made directly or indirectly by or through the mortgagee or beneficiary thereunder, regardless of whether or not payment of the Indebtedness is assumed by such mortgagee or beneficiary, the whole of the Indebtedness, at the option of the Mortgagee, shall immediately become due and payable.

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


Mortgagor:

LaSALLE NATIONAL TRUST, N.A., a national banking association, not personally but as successor trustee to LaSalle National Bank under Trust Agreement dated October 1, 1961 and known as Trust No. 28684

By: 

Its: VICE PRESIDENT

"Trustee"

Attest: 

Its: ASSISTANT SECRETARY

(Acknowledgment on following page)

COOK COUNTY, ILLINOIS

1990 OCT 10 PM 2 05

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STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

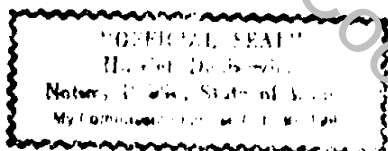
I, the undersigned, a Notary Public, in and for said County and State aforesaid, DO HEREBY CERTIFY that the above named

JOSEPH W. LANG, the VICE PRESIDENT of LaSALLE NATIONAL TRUST, N.A., a national banking association, personally known to me to be acting not personally but as successor trustee under Trust Agreement dated October 1, 1961 and known as Trust No. 28684, and personally known to be to be the same person whose name is subscribed to the foregoing instrument in such capacity, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said LaSalle National Trust, N.A., as Trustee as aforesaid, for the uses and purposes herein set forth, and said William A. Dillon then and there acknowledged that he, as custodian of the corporate seal of said banking association, did affix the corporate seal of said LaSalle National Trust, N.A. to said instrument as his own free and voluntary act and as the free and voluntary act of said banking association, as Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10th day of October, 1990.

William A. Dillon
Notary Public, Cook County,
Illinois

My Commission Expires: _____



INSTRUMENT DRAFTED BY AND
WHEN RECORDED RETURN TO:

William G. Barris, Esq.
BARRIS, SOTT, DENN & DRIKER
211 West Fort Street
Fifteenth Floor
Detroit, Michigan 48226-3281

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EXHIBIT A

Description of Real Estate

Land situated in the City of Arlington Heights, County of Cook and State of Illinois, being more particularly described as:

Lot 1 of Northgate Shopping Center Subdivision of part of the East 1/2 of the Southwest 1/4 of Section 17, Township 42 North, Range 11 East of the Third Principal Meridian, in Cook County, Illinois, EXCEPT that part described as follows: Commencing at the Northwest corner of said Lot 1; thence Southward along the Westerly line of said Lot 1, being the Easterly line of Arlington Heights Road, South 1 degree 50 minutes 41 seconds East, a distance of 73.57 feet; thence South 00 degrees 17 minutes 45 seconds East, a distance of 470.00 feet; thence South 13 degrees 57 minutes 59 seconds East, a distance of 40.00 feet; thence South 33 degrees 05 minutes 01 seconds East, a distance of 37.43 feet to the Point of Beginning; thence South 33 degrees 05 minutes 01 seconds East, a distance of 7.57 feet; thence Southeasterly along a line being 50.00 feet Northeasterly of and parallel with the centerline of Rand Road, South 48 degrees 24 minutes 05 seconds East a distance of 387.47 feet; thence South 50 degrees 47 minutes 20 seconds East a distance of 48.01 feet; thence North 48 degrees 24 minutes 05 seconds West, a distance of 444.74 feet to the Point of Beginning, all in Cook County, Illinois.

P.I. Nos. 03-17-301-015-0000; 03-17-301-017-0000; 03-17-301-020-0000; 03-17-301-021-0000; and 03-17-301-022-0000.

Street Address:

*Northeast Corner of Road & Palatine Roads,
Arlington Heights*

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EXHIBIT B

Schedule of Encumbrances

1. Covenants and restrictions contained in Amendment to Notice of Lease made between LaSalle National Bank, a national banking association, as Trustee under Trust Agreement dated October 1, 1961 and known as Trust Number 28684, and Mobil Oil Corporation, a New York corporation, dated January 25, 1968 and recorded March 6, 1968 as Document 20422615.
2. Declaration of Easements, Covenants and Restrictions recorded April 17, 1972 as Document 21869198 by LaSalle National Bank as Trust No. 28684.
3. Easement over the north 25 feet, the northeasterly 25 feet and the east 25 feet for sanitary sewers, storm sewer, water main, telephone and gas service as shown on the plat of said subdivision recorded March 13, 1968 as Document 20429726.
4. Easement over the north 25 feet, northeasterly 25 feet and east 25 feet of the land for the purpose of installing and maintaining all equipment necessary to serve the subdivision and other land with telephone and electrical service, together with the right to overhang aerial service wires and the right of access to such wires, as created by grant to the Illinois Bell Telephone Company and the Commonwealth Edison Company and their respective successors and assigns and as shown on the plat of subdivision recorded March 13, 1968 as Document 20429726 as contained in the Agreement dated July 2, 1968 and recorded July 10, 1968 as Document 20546396 and the covenants and agreements therein contained.
5. A 10-foot easement for sanitary sewer in the westerly portion of land as shown on the plat of said subdivision recorded March 13, 1968 as Document 20429726.
6. A 10-foot easement for gas mains as shown on the plat of said subdivision recorded March 13, 1968 as Document 20429726.
7. Easement for the installation, maintenance and removal of gas mains in favor of the Northern Illinois Gas Company in all platted easement areas as shown on the plat of said subdivision recorded March 13, 1968 as Document 20429726.
8. Terms, provisions, conditions and limitations of an ordinance approving an amendment to a planned development, a copy of which was recorded July 28, 1977 as Document 24932995.
9. Ordinance amending a planned development recorded September 6, 1973 as Document 22467784.
10. Terms, provisions and conditions of the Declaration of Restrictive Covenant dated January 1, 1988 and recorded February, 1988 as Document 88046284 made by and between American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement dated April 21, 1983 and known as Trust Number 57529, and LaSalle National Bank, a national banking association, as Trustee under Trust Agreement dated October 1, 1961 and known as Trust Number 28684.
11. Existing unrecorded Leases and all rights thereunder of the Lessees therein listed and of any person claiming by, through or under the Leases: Jewel Companies, Inc.; Morrie Mages Sports of Arlington Heights, Inc.; Saxon Paint & Home Care Centers, Inc.; Toys "R" Us, Inc.; Let Them Eat Cake, Inc.; K-V Travel, Ltd. d/b/a Shell Travel; Bart Gastwirth d/b/a Northpoint Podiatry; MD Dental Lab, Inc.; U.S. Shoe Corp. d/b/a Precision Lenscrafters; NBD Arlington Heights Bank; Lynda Dmytro & Elida Garcia d/b/a Northpoint Hair Design; The

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Musicland Group, Inc.; Paul Grundmann & Lorenz Gruber d/b/a Northpoint Barber Shop; Gilbert & Joan Szewczyk d/b/a Gilbert the Tailor; Consumer Surveys Co.; Midwest Nut & Seed Co. d/b/a The Home Economist; AT&T Information Systems, Inc.; Windy City Apparel, Inc. d/b/a Fashionation; Dan Howard Industries, Inc. d/b/a Dan Howard Maternity Outlet; Mobil Oil Corp.; SCD Enterprises, Inc. d/b/a Sweet Briar.

12. Lease with Jewel Companies, Inc., as tenant, dated August 15, 1990, and all rights of tenant thereunder.
13. Lease with Toys "R" Us, Inc., as tenant, dated October 2, 1990, and all rights of tenant thereunder.

Property of Cook County Clerk's Office

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