

LEASEHOLD MORTGAGE

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THIS INDENTURE made as of January 25, 1990, by and between DONALD R. OGILVIE ("Ogilvie") and DOROTHY JOYCE SIMPSON ("Simpson") (hereinafter collectively referred to as "Mortgagor"), and FIRST AMERICAN BANK, an Illinois banking corporation (hereinafter referred to as "Mortgagee")

RECORDING \$40.00
T42222 TRAN 2917 01/29/90 10:00:00
#5036 + B * 90-044822
COOK COUNTY RECORDER

WITNESSETH:

WHEREAS, Ogilvie, as lessee, entered into that certain Lease dated as of July 15, 1988 with American National Bank and Trust Company of Chicago, not personally, but as Trustee under a Trust Agreement dated June 16, 1986 and known as Trust No. 67628, as lessor (the "Lessor"), amended by that certain First Amendment to Lease dated January 15, 1990 (the "Lease"), demising to Mortgagor the premises legally described in Exhibit A attached hereto. A memorandum of the Lease was recorded in the Office of the Recorder of Deeds, Cook County, Illinois, as Document No. 89482732.

WHEREAS, Simpson acquired an undivided 28% interest in the Lease, as lessee pursuant to an Assignment and Acceptance of Leasehold Interest dated December 22, 1989.

WHEREAS, the Mortgagor is justly indebted to the Mortgagee in the principal sum of SIX HUNDRED THOUSAND AND 00/100 DOLLARS (\$600,000.00), evidenced by one certain Note of the Mortgagor of even date herewith (the "Note"), made by Mortgagor and payable to the order of and delivered to the Mortgagee, in and by which Note the Mortgagor promises to pay the principal sum and interest as set forth in the Note in installments as provided in the Note, fully paid with a final maturity date occurring on January 31, 1995 (or earlier as so provided in the Note). All such payments on

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THIS INSTRUMENT WAS PREPARED BY
AND AFTER RECORDING RETURN TO:

JANET H. WINNINGHAM
JENNER & BLOCK
ONE IEM PLAZA
CHICAGO, ILLINOIS 60611

PERMANENT INDEX NUMBER:

16-27-100-014-0000

STREET ADDRESS:

2335 South Cicero Avenue
Cicero, Illinois 60650

BOX 15
MIS MK (18952)

Handwritten initials: 20, 40

T140R 255842

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account of the indebtedness evidenced by the Note shall be first applied to interest on the unpaid principal balance and the remainder to principal except as provided in the Note; and all of the principal and interest being made payable at such place as the holders of the Note may, from time to time, in writing appoint, and in the absence of such appointment, then at the office of First American Bank, 4949 Old Orchard Road, Skokie, Illinois 60077.

NOW, THEREFORE, the Mortgagor, to secure the payment of the principal sum of money and the interest in accordance with the terms, provisions and limitations of this Mortgage, and of the Note secured hereby, and the performance of the covenants and agreements herein contained, by the Mortgagor to be performed, and also in consideration of the sum of One Dollar (\$1.00) in hand paid, the receipt of which is hereby acknowledged, does by these presents MORTGAGE, WARRANTY, ASSIGN, TRANSFER and CONVEY unto the Mortgagee, its successors and assigns, all of Mortgagor's right, title and interest in the real estate described on Exhibit A attached hereto and grant a security interest in the leasehold estate and all personal property of Mortgagor located on said real estate, situated, lying and being in the Town of Cicero, County of Cook, and State of Illinois, which, with the property hereinafter described, is referred to herein as the "Premises";

TOGETHER with all improvements, tenements, easements, fixtures, and appurtenances thereto belonging, and all rents, issues, profits and monies generated by the business conducted on the Premises for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with the real estate and not secondarily), including, without limiting the foregoing: (a) if and to the extent owned by Mortgagor: all fixtures, fittings, furnishings, appliances, apparatus, equipment and machinery including, without limitation, all gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, ovens, elevators and motors, bathtubs, sinks, water closets, basins, pipes, faucets and other air-conditioning, plumbing and heating fixtures, mirrors, mantles, refrigerating plants, refrigerators, iceboxes, dishwashers, carpeting, furniture, laundry equipment, cooking apparatus and appurtenances, and all building material, supplies and equipment now or hereafter delivered to the Premises and intended to be installed therein; all other fixtures and personal property of whatever kind and nature at present contained in or hereafter placed in any building standing on the Premises; such other goods, equipment, chattels and personal property as are usually furnished by landlords in letting other premises of the character of the Premises; and all renewals or replacements thereof or articles in substitution thereof; and all

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proceeds and profits thereof and all of the estate, right, title and interest of the Mortgagor in and to all property of any nature whatsoever, now or hereafter situated on the Premises or intended to be used in connection with the operation thereof; (b) all of the right, title and interest of the Mortgagor in and to any fixtures or personal property subject to a lease agreement, conditional sale agreement, chattel mortgage, or security agreement, and all deposits made thereon or therefor, together with the benefit of any payments now or hereafter made thereon; (c) all leases and use agreements of machinery, equipment and other personal property of Mortgagor in the categories hereinabove set forth under which Mortgagor is the lessee of, or entitled to use, such items; (d) all rents, income, profits, revenues, receipts, royalties, bonuses, rights, accounts, contract rights, general intangibles and benefits and guarantees under any and all leases, tenancies, licenses or other use agreements or arrangements now existing or hereafter created of the Premises or any part thereof (including any business conducted thereon) with the right to receive and apply the same to indebtedness due Mortgagee and Mortgagee may demand, sue for and recover such payments but shall not be required to do so; (e) all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims; (f) any monies on deposit for the payment of real estate taxes or special assessments against the Premises or for the payment of premiums on policies of fire and other hazard insurance covering the collateral described hereunder or the Premises, and all proceeds paid for damage done to the collateral described hereunder or the Premises; (g) all and every right, title and interest of the lessee under the Lease including all rights or options of renewal, extension and purchase and in and to any deposit of cash, securities or other property which may be held at any time and from time to time by the Lessor under the Lease to secure the performance of covenants, conditions, and agreements contained in the Lease, or otherwise, and in and to the land thereby demised, and together with the rents, issues and profits thereof (which are hereby expressly assigned), and excepting any and all buildings, structures and improvements, and all additions to or improvements or replacements of, or in, the same, now or at any time hereafter, during the term of the Lease, existing, situated, erected or constructed upon said land, or any part thereof; (h) any and all buildings, structures and improvements, and all additions to or improvements or replacements of, or in, the same, now or at any time hereafter, during the term of the Lease existing, situated, erected or constructed upon said land, or any part thereof, including, but not limited to, all supports, foundations, structures, landscaping, sidewalks, curbs, driveways, vaults, bridges, tunnels and fixtures, and including all apparatus and equipment necessary for the

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complete and comfortable use, occupancy, enjoyment and operation of any such building including, without limiting the generality of the foregoing, all fittings, appliances, machinery, garage equipment, heating, lighting, cooling, air conditioning and ventilating equipment, wiring, controls, communications equipment, plumbing, switchboards, antennae, elevators, escalators, floor covering, furnishings, refrigerating, hot water heaters and all other appliances and equipment, together with the rents, issues and profits thereof (which are hereby expressly assigned); (i) all rights, title and interest of Mortgagor (to the extent not inconsistent with the rights of the Lessor under the Lease or the obligations of Mortgagor, as Lessee, under the provisions of said Lease) in and to any and all awards, heretofore made and hereafter to be made by any governmental, municipal, state or federal authorities, or by any authority or corporation exercising the power of eminent domain, to the present and all subsequent owners of the said Lease and of the Premises as defined in this Mortgage and of any leasehold or other title or interest therein and all rights to awards and any parts or shares thereof given to Mortgagor under the Lease or otherwise, including, but without limiting the generality of the foregoing, any awards for any change or changes of grade or the widening of the streets, roads or avenues affecting the premises demised by the Lease, which awards and rights to awards and parts or shares thereof are hereby assigned to Mortgagee, which is hereby authorized to collect and receive the proceeds of such awards and to give proper receipts and acquittances therefor, and to hold and apply the same in accordance with the provisions of this Mortgage; and Mortgagor hereby agrees, upon written demand by Mortgagee, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning said awards to Mortgagee, free and clear and discharged of any encumbrances of any kind or any nature whatsoever, subject, however, to the provisions of the Mortgage; and (j) all substitutions, replacements, additions and proceeds, including insurance and condemnation award proceeds, of any of the foregoing property; it being understood that the enumeration of any specific articles of property shall in no wise exclude or be held to exclude any items of property not specifically mentioned. All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall be for the purposes of this Mortgage deemed to be real estate and conveyed and mortgaged hereby. As to any of the property aforesaid which (notwithstanding the aforesaid declaration and agreement) does not so form a part and

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parcel of the Premises, this Mortgage is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code in effect in the jurisdiction in which the Premises are located (hereinafter referred to as the "UCC") for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Mortgagee as Secured Party (as said term is defined in the UCC), securing said indebtedness and obligations and Mortgagee shall have in addition to its rights and remedies hereunder all rights and remedies of a Secured Party under the UCC. As to any of the above described personal property which the UCC classifies as fixtures, this instrument shall constitute a fixture filing and financing statement under the UCC.

Mortgagor covenants (i) that it is lawfully seized of the Premises, subject to the rents, terms, covenants, conditions and provisions set forth in the Lease, (ii) that the same are subject only to (a) the liens, encumbrances, conditions, restrictions, easements, leases, and other matters, rights or interests disclosed on Schedule B (or an equivalent section or portion) of the mortgage loan title insurance policy delivered to Mortgagee, and (b) matters disclosed in writing by Mortgagor to Mortgagee, and (iii) that it has good right, full power and lawful authority to convey and mortgage the same and that it will forever defend the Premises and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

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

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Valid Lease; Payment of Rent, Etc.

(a) The Lease is a valid and subsisting lease of the real estate and is in full force and effect in accordance with the terms thereof and has not been modified or amended except as herein set forth, and there are no existing defaults by the Lessor under the Lease or by Mortgagor, as Lessee thereunder;

(b) Mortgagor shall pay or cause to be paid when due and payable by Mortgagor pursuant to the provisions of the Lease:

(i) the rent, common area charges, additional rent, and other sums required to be paid by the Lessee under the Lease (collectively, the "Rent"), except that notwithstanding any provision to the contrary contained in the Lease, Rent required to be paid by the Lessee under the

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Lease shall be deemed due and payable to the Lessor under the Lease five (5) days prior to the date when the Rent is actually due and payable pursuant to the provisions of the Lease, provided, however, so long as no event has occurred which would entitle the Mortgagee to accelerate the indebtedness secured hereby, and so long as Mortgagor is not in default under the Note, this Mortgage, or any other instrument evidencing or securing the indebtedness evidenced by the Note, Mortgagee agrees to waive the requirement that Mortgagor pay the Rent five days prior to the date when said Rent is actually due and payable pursuant to the provisions of the Lease; provided, however, that in the event of any default under the Note, this Mortgage or any other instrument securing the Note or in the event that the Mortgagee receives any notice of default by Mortgagor under the Lease, Mortgagor shall make all payments of Rent five days prior to the due date thereof, by depositing in the United States certified mail, return receipt requested, a check payable to the Lessor in the amount of the Rent, and other sums then due and payable, accompanied with a letter addressed to the Lessor stating that said check is enclosed therewith and requesting an official receipt from the Lessor evidencing payment by Mortgagor of Rent, and other sums paid by said check. Concurrently with the mailing to the Lessor under the Lease of said letter, a copy of said letter, together with a photostatic copy of the check enclosed therewith, shall also be deposited in the United States mail, certified, return receipt requested, for delivery to Mortgagee. Mortgagor agrees to deliver to Mortgagee via United States certified mail copies of the Lessor's official receipts evidencing payment by Mortgagor of said Rent and other sums within ten (10) days after the date Mortgagor receives said receipts from the Lessor; and

(ii) all real estate taxes, personal property taxes (if any), 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 a portion thereof, or which shall become payable with respect thereto or with respect to the occupancy, use or possession of the Premises, (hereinafter collectively called the

"Impositions") within five (5) days after demand therefor from the Lessor (if such Impositions are not separately assessed against the Premises). Otherwise, within fifteen (15) days after the date said Impositions are actually due and payable pursuant to the Lease, Mortgagor shall deliver to Mortgagee the original or a photostatic copy of the official receipt evidencing such payment 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. To the extent that the Lease shall grant to Mortgagor, as Lessee thereunder, the privilege to contest, postpone or defer the payment of any Impositions, the failure of Mortgagor to pay the same shall not constitute a default hereunder (a) if and so long as Mortgagor shall faithfully comply with all of the conditions and other requirements of the Lease with respect to the exercise of such privilege, if Mortgagee shall approve (which approval shall not be unreasonably withheld or delayed) in writing the nature and amount of any security therefor to be deposited in accordance with the provisions of the Lease, and (b) provided the same shall not in the opinion of Mortgagee affect the security of the Mortgage or impose any duty or obligation upon Mortgagee or any sublessees or other occupant of the Property or any part thereof.

2. Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens. Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (b) keep the Premises in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien not expressly subordinated to the lien hereof; (c) pay when due any indebtedness which may be secured by a lien or charge on the Premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee; (d) complete within a reasonable time all public improvements and any building or buildings now or at any time in process of construction upon the Premises; (e) comply with all requirements of law, municipal ordinances, or restrictions of record with respect to the Premises and the use thereof; (f) make alterations in the Premises only in accordance with plans and specifications duly approved by Mortgagee; (g) suffer or permit no change in the general nature of the occupancy of the Premises, without Mortgagee's written consent; (h) initiate or acquiesce in no zoning variation or reclassification, without Mortgagee's written

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consent; (i) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of the Note. As used in this Section and elsewhere in this Mortgage, the term "indebtedness" shall mean and include the principal sum evidenced by the Note, together with all interest, additional interest and late charges thereon, any other payments due to the Mortgagee thereunder, and all other sums at any time secured by this Mortgage. Further, as used in this Mortgage, the term "Note" shall mean and include any renewals, modifications, extensions, amendments and replacements thereof.

3. Payment of Impositions. Mortgagor shall pay, at least five (5) days before the date when due, all Impositions as provided in Section 1. In the event Mortgagor fails to pay Impositions as required herein (or in the event Mortgagor fails to comply with any conditions upon which Mortgagor may be permitted to contest or defer the payment of Impositions as provided in Section 1), Mortgagee reserves the right to require Mortgagor to make monthly deposits into an escrow account established for the payment of taxes and other Impositions under terms and in an amount satisfactory to Mortgagee.

4. Insurance. Mortgagor shall keep all buildings and improvements now or hereafter situated on the Premises insured against loss or damage by fire and such other hazards as may be requested by Mortgagee, including, but not limited to, extended coverage, vandalism, malicious mischief, contractor's multiple peril ("Builders Risk Insurance") coverage during the period of construction, and comprehensive public liability insurance and business interruption or rent loss insurance as required by Mortgagee. Mortgagor shall further provide Mortgagee with insurance certificates evidencing that the contractor secured by Mortgagor to perform general contracting work on the Premises has, in full force and effect, liability and worker's compensation insurance. All policies of insurance to be furnished hereunder shall be in forms, companies and amounts satisfactory to Mortgagee, with mortgagee clauses attached to all policies in favor of and in form satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to the Mortgagee. All policies shall further name Mortgagee as an additional insured and as loss payee. Mortgagor shall deliver all policies, including additional and renewal policies, to Mortgagee, and, in the case of insurance about to expire, shall deliver renewal policies not less than ten (10) days prior to their respective dates of expiration. Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is

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included thereon under a standard mortgagee clause acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the policy or policies of such insurance.

5. Adjustment of Losses With Insurer and Application of Proceeds of Insurance. In case of loss or damage by fire or other casualty, Mortgagee is authorized to (a) settle and adjust any claim under insurance policies which insure against such risks, or (b) allow Mortgagor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, the Mortgagee is authorized to collect and issue a receipt for any such insurance money. At the option of the Mortgagee, such insurance proceeds may be applied in the reduction of the indebtedness secured hereby, whether due or not, or may be held by the Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoration of buildings or improvements in the Premises. Irrespective of whether such insurance proceeds are used to reimburse Mortgagor for the cost of said rebuilding or restoration or not, and irrespective of whether such insurance proceeds are or are not adequate for such purpose, the buildings and improvements shall be so restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. If the cost of rebuilding, repairing or restoring the building and improvements can reasonably exceed the sum of TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$25,000.00), the Mortgagor shall obtain Mortgagee's approval of plans and specifications for such work before such work shall be commenced. In any case, where the insurance proceeds are made available for rebuilding and restoration, such proceeds shall be disbursed in the manner and under the conditions that the Mortgagee may require and upon Mortgagee being furnished with satisfactory evidence of the estimated cost of completion thereof and with architect's certificates, waivers of lien, contractor's and subcontractors' sworn statements and other evidence of cost and payments so that Mortgagee can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of mechanics' lien claims. If the estimated cost of completion exceeds the amount of the insurance proceeds available, the Mortgagor immediately shall, on written demand of the Mortgagee, deposit with the Mortgagee in cash the amount of such estimated excess cost. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed from time to time, and at all times the undisbursed balance of such proceeds remaining in the hands of the disbursing party shall be at least sufficient to pay for the cost of completion of the work free and clear of liens. Any surplus which may remain

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out of said insurance proceeds after payment of such cost of building or restoration shall, at the option of the Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any party entitled thereto without interest.

6. Stamp Tax. If, by the laws of the United States of America, or of any state having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the issuance of the Note hereby secured, the Mortgagor covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor further covenants to reimburse the Mortgagee for any sums which Mortgagee may expend by reason of the imposition of any tax on the issuance of the Note secured hereby.

7. Effect of Extensions of Time. If the payment of the indebtedness or any part thereof is extended or varied or if any part of any security for the payment of the indebtedness is released or additional security is taken, all persons now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation, or taking of additional security or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding such extension, variation, taking of additional security or release.

8. Effect of Changes in Laws Regarding Taxation. In the event of the enactment after this date of any law of the state in which the Premises is located deducting from the value of the land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder thereof, then, and in any event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor, provided, however, that if in the opinion of counsel for the Mortgagee (a) it might be unlawful to require Mortgagor to make such payment or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

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9. Performance of Lease. In addition to the payment of all Rent, Impositions, insurance premiums and other payments and charges required to be paid by Mortgagor, as Lessee, pursuant to the provisions of the Lease, Mortgagor:

(a) will diligently perform and observe all of the terms, covenants and conditions of the Lease required to be performed and observed by Mortgagor, as Lessee under the Lease, unless such performance or observance shall have been waived or cured with respect to the Lease by the Lessor, to the end that all things shall be done which are necessary to keep unimpaired the rights of the Mortgagor as Lessee under the Lease. In the event of the failure of Mortgagor to make any payment required to be made by Mortgagor pursuant to the provisions of the Lease or to keep, observe or perform or cause to be kept, observed or performed, any of the terms, covenants, provisions or agreements of the Lease (unless waived by the Lessor under the Lease), Mortgagor agrees that Mortgagee may (but shall not be obligated to) take any action on behalf of Mortgagor, to make or cause to be kept, observed or performed any such terms, covenants, provisions or agreements and to enter upon the Premises and take all such action thereof as may be necessary therefor, to the end that the rights of Mortgagor in and to the leasehold estate created by the Lease shall be kept unimpaired and free from default, and all money so expended by Mortgagee, with interest thereon at the Default Rate (as hereinafter defined) from the date of each such expenditure, shall be paid by Mortgagor to Mortgagee promptly upon demand by Mortgagee and shall be added to the indebtedness and Mortgagee shall have, in addition to any other remedy of Mortgagee, the same rights and remedies in the event of nonpayment of any such sum by Mortgagor as in the case of a default by Mortgagor in the payment of any sums due under the Note. No waiver by the Lessor shall be effective for purposes of this Section if the giving of such waiver is disputed or called into question by the Lessor under the Lease or if as a result of such waiver the Lease is cancelled or terminated in whole or material part or otherwise materially affected;

(b) will promptly notify Mortgagee in writing of (i) any default by the Lessor under the Lease in the performance or observance of any of the terms, covenants or conditions on the part of the Lessor to be performed or observed and (ii) the occurrence of any event, which, with the lapse of time or giving of notice or both (if any be required) could

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constitute an even of default giving the Lessor the right to elect to terminate the Lease;

(c) will promptly (i) advise Mortgagee in writing of the giving of any notice by the Lessor under the Lease to Mortgagor of any default by Mortgagor, as Lessee under the Lease, in the performance or observance of any of the terms, covenants or conditions of the Lease on the part of the Mortgagor, as Lessee, to be performed or observed, and (ii) deliver to Mortgagee a true copy of each such notice;

(d) will enforce the obligations of the Lessor under the Lease to the end that Mortgagor may enjoy all of the rights granted to it under the Lease, and will promptly notify Mortgagee in writing of any material default by the lessor or by Mortgagor in the performance or observance of any of the terms, covenants and conditions on the part of the Lessor or Mortgagor, as the case may be, to be performed or observed under the Lease. If, pursuant to the Lease, the Lessor shall deliver to Mortgagee a copy of any notice of default given to Mortgagor, such notice shall constitute full authority and protection to Mortgagee for any action taken or omitted to be taken by Mortgagee in good faith in reliance thereon;

(e) covenants and agrees that unless Mortgagee shall otherwise expressly consent in writing, neither Mortgagor nor its successors or assigns shall suffer or permit the fee title to the property demised by the Lease and the leasehold estate to merge, it being understood and agreed that said estates shall always remain separate and distinct, notwithstanding the union of said estates in any person whomever by purchase or otherwise; and in case Mortgagor acquires the fee title or any other estate, title or interest in the Premises, this Mortgage shall attach to and cover and be a lien upon the fee title or such other estate so acquired, and such fee title or other estate shall, without further assignment, mortgage or conveyance, become and be subject to the lien of and covered by this Mortgage;

(f) agrees that no release or forbearance of any of Mortgagor's obligations under the Lease, pursuant to the Lease, or otherwise, shall release Mortgagor from any of its obligations under this Mortgage, including its obligation with respect to the payment of rent as provided for in the Lease and the performance of all of the terms, provisions, covenants, conditions and agreements contained in the Lease, to be

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kept, performed and complied with by the tenant therein;
and

(g) shall not make any election or give any consent or approval for which a material right to do so is conferred upon Mortgagor as lessee under the Lease without Mortgagee's prior written consent.

A default by Mortgagor in the performance of its obligations, undertakings or agreements made by it under the terms of the Lease shall be a default under the terms of this Mortgage.

10. No Modification of the Lease. That Mortgagor will not surrender any of its leasehold estates and interests herein described, nor terminate or cancel the Lease nor will Mortgagor permit any of the foregoing to occur; and that it will not, without the prior written consent of Mortgagee, waive any requirement of, or permit the Lessor to waive (except as otherwise provided in the Lease) any requirement of, modify, change, supplement, alter or amend the Lease, either orally or in writing, and Mortgagor hereby assigns to Mortgagee, as further security for the repayment of the indebtedness and other sums secured hereby and for the performance of the covenants contained in this Mortgage and in the Lease, all of its rights, privileges and prerogatives as Lessee under the Lease to terminate, cancel, waive or accept the waiver of, modify, change, supplement, alter or amend the Lease, and any such termination, cancellation, waiver, modification, change, supplement to or alteration or amendment of the Lease without the prior written consent thereto by Mortgagee, which mortgagee may grant or withhold in Mortgagee's sole discretion, shall be void and of no force and effect. In case of any default under the Note, this Mortgage, or any other instrument securing the Note, all such rights, together with the right to make any election or give any consent or approval as lessee under the Lease shall vest in and be exercisable solely by Mortgagee.

11. Recorded Instruments. That Mortgagor will 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, noncompliance with which would affect the security of this Mortgage or impose any duty or obligation upon Mortgagor or any sub-lessee or other occupant of the Premises, or any part thereof, 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 rights in favor of or constituting any portion of the Premises.

12. Construction Mortgage. The within mortgage simultaneously secures an obligation incurred for the

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construction of improvements on the land mortgaged herein and constitutes a "construction mortgage" within the meaning of Section 9-313(1) of the Illinois Uniform Commercial Code. The proceeds of the loan secured hereby are to be disbursed by Mortgagee to Mortgagor, in accordance with the provisions contained in the Construction Loan Agreement (the "Loan Agreement") between Mortgagor and Mortgagee of even date herewith. All advances and indebtedness arising and accruing under the Loan Agreement from time to time, whether or not the total amount thereof may exceed the face amount of the Note secured hereby, shall be secured hereby to the same extent as though the Loan Agreement were fully incorporated in this Mortgage and the occurrence of any event of default under the Loan Agreement shall constitute a default under this Mortgage entitling Mortgagee to all of the rights and remedies conferred upon the Mortgagee by the terms of this Mortgage or by law, as in the case of any other default. In the event of any inconsistencies or conflicts between this Mortgage and the Loan Agreement, the terms of the Loan Agreement shall govern and control.

13. Mortgagee's Performance of Defaulted Acts.

In case of default herein, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or consent to any tax or assessment or cure any default of Lessor in any lease (including the Lease) of the Premises. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee in regard to any stamp tax or any leases of the Premises or to protect the Premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the rate (the "Default Rate") of five percent (5%) per annum over the Prime Rate currently in effect at Mortgagee's bank, which shall be adjusted daily when and as the Prime Rate changes. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor.

14. Mortgagee's Reliance on Tax Bills. Mortgagee in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim

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thereof; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

15. Acceleration of Indebtedness in Case of Default. If (a) default is made in the due and punctual payment of the Note secured hereby, or any payment due in accordance with the terms thereof, either of principal or interest; or (b) default shall be made in the due observance or performance of any of the other covenants, agreements or conditions contained in the Note and required to be kept or observed by Mortgagor or any guarantor of the Note; or (c) the Mortgagor or any guarantor of the Note shall file a petition seeking relief under the Federal Bankruptcy Code (11 U.S.C. 101 et seq.) or any similar law, state or federal, whether now or hereafter existing, or any answer admitting insolvency or inability to pay its debts, or fail to obtain a vacation or stay of involuntary proceedings within ten (10) days, as hereinafter provided; or (d) an order for relief shall be entered in an involuntary case against the Mortgagor or any guarantor of the Note, or a trustee or a receiver shall be appointed for the Mortgagor or any guarantor of the Note, or for all of the property of Mortgagor, or the major part thereof, in any involuntary proceeding, or any court shall have taken jurisdiction of the property of the Mortgagor or any guarantor of the Note, or the major part thereof, in any voluntary or involuntary proceeding for the reorganization, dissolution, liquidation or winding up of the Mortgagor or any guarantor of the Note, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within ten (10) days; or (e) the Mortgagor or any guarantor of the Note shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all of its property or the major part thereof; or (f) default shall be made in the due observance or performance of any other of the covenants, agreements or conditions hereinbefore or hereinafter contained, required to be kept or performed or observed by the Mortgagor; or (g) default shall be made in the due observance or performance of any of the covenants, agreements or conditions contained, required to be kept or observed by Mortgagor in the Construction Contract, the Equipment Contract or Management Contract (each as defined in the Loan Agreement) which remains uncured after the expiration of any applicable cure period; or (h) default shall be made in the due observance or performance of any of the covenants, agreements or conditions contained, required to be kept or observed by Mortgagor in any other instrument given at any time to secure the payment of the Note secured hereby; or (i) if any one or more defaults shall be made in the payment of Rent or

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other charges payable by Mortgagor as Lessee under the Lease or if any events occur which would entitle the lessor to give Mortgagor a notice of default or of intention to end the term of, or the Mortgagor's (as Lessee) right to possession under the Lease; or (j) an Event of Default shall occur under the Loan Agreement; or (k) if the Premises and the Business (as defined in the Loan Agreement) shall cease to be managed by a manager acceptable to Mortgagee pursuant to a management agreement approved in writing by Mortgagee; then and in every such case the whole of the indebtedness hereby secured shall, at once, at the option of the Mortgagee, become immediately due and payable without notice to Mortgagor. If while any insurance proceeds or condemnation awards are being held by the Mortgagee to reimburse Mortgagor for the cost of rebuilding or restoration of buildings or improvements on the Premises, as set forth in Sections 5 or 22 hereof, the Mortgagee shall be or become entitled to, and shall accelerate the indebtedness secured hereby, then and in such event, the Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by it in reduction of the indebtedness hereby secured, and any excess held by it over the amount of indebtedness then due hereunder shall be returned to Mortgagor or any party entitled thereto without interest.

16. Foreclosure; Expense of Litigation. When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. In any civil action to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the order or judgment for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the order or judgment) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such civil actions or to evidence to bidders at any sale which may be held pursuant to such order or judgment the true condition of the title to or the value of the Premises. All reasonable expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of said Premises and maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Premises or the Lease, including probate, bankruptcy and appellate proceedings, or in preparations for the commencement or defense of

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any proceeding or threatened civil actions or proceeding shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate, and shall be secured by this Mortgage.

17. Application of Proceeds of Foreclosure Sale.

The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 16 hereof; second, all other items which may under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note; and fourth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

18. Appointment of Receiver. Upon, or at any

time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises. Such appointment may be made either before or after sale, without notice, without regard to the 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 the Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any judgment or order 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 foreclosure sale; and (b) the deficiency in case of a sale and deficiency.

19. Mortgagee's Right of Possession in Case of Default. In any case in which under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole indebtedness secured hereby is declared to be immediately due, or whether before or after the institution of legal proceedings to

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foreclose the lien hereof or before or after sale thereunder, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the Premises or any part thereof personally, or by its agent or attorneys, as for condition broken. In such event Mortgagee in its discretion may, in accordance with law, enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers and accounts of Mortgagor or then owner of the Premises relating thereto, and may exclude Mortgagor, its agents or servants, wholly therefrom and may as attorney in fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power to: (a) cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (b) elect to disaffirm any lease or sublease which is then subordinate to the lien hereof; (c) extend or modify any then existing leases (including the Lease) and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a 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 such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from a foreclosure of this Mortgage, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (d) make all necessary or proper repairs, decorating, renewals, replacements alterations, additions, betterments and improvements to the Premises as to it may seem judicious; (e) insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and (f) receive all of such avails, rents, issues and profits, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without prior notice to Mortgagor provided that Mortgagor shall give subsequent notice thereof. Mortgagee shall not be obligated to perform or discharge,

nor does it hereby undertake to perform or discharge, any obligation, duty or liability under the leases. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which Mortgagee may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should Mortgagee incur any such liability, loss or damage under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand.

20. Application of Income Received by Mortgagee. Mortgagee, in the exercise of the rights and powers conferred herein, shall have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as Mortgagee may determine:

(a) to the payment of the operating expenses of the Premises, including Rent and the cost of management (which shall include appropriate compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents), established claims for damages, if any, and premiums on insurance hereinabove authorized;

(b) to the payment of taxes and special assessments or other Impositions now due or which may hereafter become due on the Premises;

(c) to the payment of all repairs, replacements, alterations, additions, betterments, and improvements of the Premises and of placing the Premises in such condition as will, in the judgment of Mortgagee, make it readily marketable;

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

21. Rights Cumulative. Each right, power and remedy herein conferred upon the Mortgagee is cumulative and in addition to every other right, power and remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed

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expedient by the Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

22. Condemnation. Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the entire proceeds of any award or any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation. The Mortgagee may elect to apply the proceeds of the award upon or in reduction of the indebtedness secured hereby, whether due or not, or make said proceeds available for restoration or rebuilding of the Premises. Irrespective of whether such proceeds are made available for restoration or rebuilding, and irrespective of whether such proceeds are adequate for such purpose, the buildings and improvements shall be restored or rebuilt in accordance with plans and specifications to be submitted to and approved by the Mortgagee. In the event said proceeds are made available for rebuilding or restoration, the proceeds of the award shall be disbursed in the manner and under the conditions that the Mortgagee may require and paid out in the same manner as provided in Section 5 hereof for the payment of insurance proceeds toward the cost of rebuilding or restoration. In such event, if the estimated cost to complete rebuilding or restoration exceeds the proceeds of the condemnations awards, Mortgagor immediately shall, on written demand of the Mortgagee, deposit with the Mortgagee in cash the amount of such excess cost. Any surplus which may remain out of said award after payment of such cost of building or restoration shall, at the option of the Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any party entitled thereto without interest.

23. Release upon Payment and Discharge of Mortgagor's Obligations. Mortgagee shall release this Mortgage and the lien thereof by proper instruction upon payment and discharge of all indebtedness secured hereby including a reasonable fee to Mortgagee for the execution of such release.

24. Giving of Notice. Any notice which either party hereto may desire or be required to give to the other party shall be in writing and the mailing thereof by certified mail addressed to the Mortgagor at: Mr. Donald R. Ogilvie, 1401 North Western Avenue, Lake Forest, Illinois 60045, or to the Mortgagee at: First American Bank, 4949 Old Orchard Road, Skokie, Illinois 60077, Attn: Ms. Mary Hopkins,

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or at such other place as any party hereto may by notice in writing designate as a place for service of notice, shall constitute service of notice hereunder.

25. Waiver of Notice. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Notice hereby secured.

26. Waiver of Statutory Rights. Mortgagor shall not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself, and all who may claim through or under it, waives any and all right to have the property and estates comprising the Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. Mortgagor does hereby expressly waive any and all rights of redemption from any order, judgment or decree of foreclosure of this Mortgage on behalf of Mortgagor and each and every person acquiring any interest in or title to the Premises subsequent to the date of this Mortgage. Mortgagor does hereby further expressly waive, to the extent now or hereafter permitted by law, all rights of reinstatement of this Mortgage pursuant to Section 15-1602 of the Illinois Mortgage Foreclosure Law.

27. Compliance with Illinois Mortgage Foreclosure Law. In the event that any provision of this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (Chapter 110, Sections 15-1101 et seq., Illinois Revised Statutes) (herein called 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 the 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, and whether enumerated in Section 16 of this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

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28. Compliance with Environmental Laws. Except as disclosed in writing to the Mortgagee on or before the date hereof, the Premises and its present use complies, and at all times shall comply, with all applicable laws and governmental regulations including, without limitation, all applicable federal, state and local laws pertaining to air and water quality, hazardous waste, waste disposal, air emissions and other environmental matters, all zoning and other land use matters, and utility availability. Except as disclosed in writing to the Mortgagee on or before the date hereof, neither the Mortgagor nor, to the best of Mortgagor's knowledge, any previous owner or occupier of the Premises, used, generated, stored or disposed of, on, under or about the Premises any Hazardous Materials. For the purposes of this Agreement, Hazardous Materials shall mean and include any hazardous substance or any pollutant or contaminant defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called applicable "Superfund" or "Superlien" or "Non-priority Lien" law, the Toxic Substances Control Act, or the Resource Conservation and Recovery Act, all as amended from time to time. Further, to the best of the Mortgagor's knowledge, except as disclosed in writing to the Mortgagee on or before the date hereof, the Premises does not contain any underground tanks and, to the best of Mortgagor's knowledge, does not contain and has not in the past contained any asbestos-containing material in friable form.

29. Filing and Recording Fees. Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the execution and acknowledgement of this Mortgage and all federal, state, county, and municipal taxes, and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Note and this Mortgage.

30. Indemnity. Mortgagor agrees to indemnify and hold harmless Mortgagee from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs and expenses (including attorneys' fees and disbursements) which may be imposed on, incurred or paid by or asserted against Mortgagee by reason or on account of, or in connection with, (i) any willful misconduct of Mortgagor or any event of default by Mortgagor hereunder or under any other documents executed at any time to secure the payment of the Note secured hereby, (ii) Mortgagee's good faith and commercially reasonable exercise of any of its rights and remedies, or the performance of any of its duties, hereunder or under any other documents executed at any time to secure payment of the Note secured hereby to which Mortgagor is a party, (iii) the construction, reconstruction or alteration of the Premises,

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(iv) any negligence of Mortgagor, or any negligence or willful misconduct of any lessee of the Premises, or any of their respective agents, contractors, subcontractors, servants, employees, licensees or invitees or (v) any accident, injury, death or damage to any person or property occurring in, on or about the Premises or any street, drive, sidewalk, curb or passageway adjacent thereto, except for the willful misconduct or gross negligence of the indemnified person. Any amount payable to Mortgagee under this Section 30 shall be due and payable within ten (10) days after demand therefor and receipt by Mortgagor of a statement from Mortgagee setting forth in reasonable detail the amount claimed and the basis therefor, and such amounts shall bear interest at the Default Rate set forth in the Note from and after the date such amounts are paid by Mortgagee until paid in full by Mortgagor. Mortgagor's obligations under this Section 30 shall not be affected by the absence or unavailability of insurance covering the same or by the failure or refusal by any insurance carrier to perform any obligation on its part under any such policy of covering insurance. If any claim, action or proceeding is made or brought against Mortgagor and/or Mortgagee which is subject to the indemnity set forth in this Section 30, Mortgagor shall resist or defend against the same, if necessary, in the name of Mortgagee, by attorneys for Mortgagor's insurance carrier (if the same is covered by insurance) or otherwise by attorneys approved by Mortgagee. Notwithstanding the foregoing, Mortgagee, in its discretion, may engage its own attorneys to resist or defend, or assist therein, and Mortgagor shall pay, or, on demand, shall reimburse Mortgagee for the payment of, the reasonable fees and disbursements of said attorneys.

31. Due on Sale -- Due on Encumbrance. Mortgagee may at its option accelerate the maturity date of the indebtedness evidenced by the Note and secured by this Mortgage, whereupon the whole of the indebtedness hereby secured shall at once become immediately due and payable (without any cure or grace period) if any one of the following events shall occur:

(a) Mortgagor shall (whether voluntarily or by operation of law) sell, assign, sublet, mortgage, encumber, hypothecate or otherwise transfer the Premises or any part thereof, or otherwise cease to own the Premises; or

(b) Mortgagor shall commit an Event of Default under the Loan Agreement, as defined in the Loan Agreement; or

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(c) Mortgagor shall commit a breach or default under any of the other documents executed in connection with the Loan Agreement or this Mortgage.

32. Miscellaneous.

(a) This Mortgage, and all provisions hereof, shall extend to and be binding upon Mortgagor and its successors, grantees and assigns, any subsequent owner or owners of the Premises and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein, and the holder or holders, from time to time, of the Note secured hereby.

(b) In the event one or more of the provisions contained in this Mortgage or the Note secured hereby or in any other security documents given to secure the payment of the Note secured hereby shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision of this Mortgage, and this Mortgage shall be construed as if such invalid, illegal or enforceable provision had never been contained herein or therein. This Mortgage and the Note it secures are to be construed and governed by the laws of the State of Illinois.

(c) The Note secured hereby requires the payment of a late charge in the event any installment of principal and/or interest due thereunder shall become overdue for a period in excess of ten (10) days. The Note requires the payment to the Mortgagee of a late charge of five percent (5%) of any monthly installment so overdue to defray part of the cost of collection. The late charge shall be secured hereby as indebtedness as that term is defined in Section 2 hereof.

(d) At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of any and all expenses and advances due to or incurred by Mortgagee in connection with the indebtedness secured hereby, provided, however, notwithstanding anything to the contrary herein, the total aggregate indebtedness secured by

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this Mortgage shall not exceed an amount equal to two (2) times the face amount of the Note.

(e) No offset or claim that Mortgagor now has or may have in the future against Mortgagee shall relieve Mortgagor from paying any amounts due under the Note secured hereby or from performing any other obligations contained herein or secured hereby.

(f) Mortgagor shall not by act or omission permit any building or other improvement on the Premises not subject to the lien of this Mortgage to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises or any interest therein to be used. Similarly, no building or other improvement on the Premises shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Mortgagor shall not by act or omission impair the integrity of the Premises as zoned. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this Section shall be void.

33. Non-Recourse. Notwithstanding anything to the contrary herein or in the Note ("Note") secured hereby or the Loan Agreement, Simpson shall not be liable personally for the repayment of the indebtedness evidenced by the Note; provided, however, nothing herein contained shall be construed to release or impair the indebtedness or the lien of the Mortgage upon the Premises, or to release or reduce the personal liability of Ogilvie under the Note, the Mortgage, Loan Agreement and the other Loan Documents (hereinafter defined), or preclude the application of the Premises to the payment of the Note in accordance with the terms of the Mortgage. Notwithstanding the foregoing, Simpson shall be liable to the Bank for damages suffered by the Bank (i) to the extent resulting from the intentional or willful fraud (and actual knowledge thereof) by Simpson in connection with the representations or warranties contained herein or in the Note or in any other document executed in connection with the loan evidenced by the Note (the Note, together with this Mortgage and such other documents are hereinafter sometimes referred to collectively as the "Loan Documents"), or any materials supplied in connection therewith; (ii) for the fair market value of the personalty or fixtures removed or disposed of by Simpson in violation of the terms of the Mortgage or of any other Loan Document (which fair market value shall be determined as of the time such items were so removed or disposed of); (iii) as a result of the application of any proceeds in violation of the terms of the

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Mortgage or of any other Loan Document by Simpson, to the full extent of such misapplied proceeds, under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain, by reason of damage, loss or destruction of any portion of the Premises or any improvements located thereon; and (iv) as a result of Simpson's intentional or grossly negligent waste of any portion of the Premises or any improvements located thereon.

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

Mortgagor:

Donald R. Ogilvie
Donald R. Ogilvie

Dorothy Joyce Simpson
Dorothy Joyce Simpson

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Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

I, Paula Bolvin, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Donald R. Ogilvie, personally known to me to be the same person whose name is subscribed to the foregoing appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 26th day of January, 1990.

Paula Bolvin
Notary Public

My Commission Expires Feb. 5, 1990

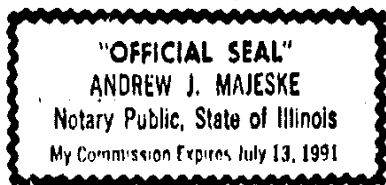
* * * * *

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

I, ANDREW J. MAJESKE, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Dorothy Joyce Simpson, personally known to me to be the same person whose name is subscribed to the foregoing appeared before me this day in person and acknowledged that she signed, sealed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 25TH day of JANUARY, 1990.

Andrew Majeske
Notary Public



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EXHIBIT "A"

LEGAL DESCRIPTION

Premises:

A. All buildings, structures, and other improvements (the "Buildings and improvements"), including without limitation, all supports, foundations, pilings, structures, vaults, tunnels, retaining walls, driveways, parking areas, pools, landscaping, sidewalks, curbs, bridges, fixtures, and any and all additions, alterations and betterments thereto and any and all substitutions, extensions, renewals and replacements thereof, now or hereafter located, placed or constructed in, under, on or over the Real Estate herein-after described;

B. The leasehold estate created by, and all the right, title and interest of the tenant under, that certain lease dated as of July 15, 1988, by and between American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement dated June 16, 1986 and known as Trust No. 67628, as lessor, and Donald Ogilvie, as lessee, demising the whole of the Real Estate, exclusive of the buildings and improvements thereon, for a term expiring December 31, 2004 (said Lease being herein referred to as the "Lease"), including without limitation, any and all permitted amendments and modifications hereafter made thereto, a Memorandum of which Lease was filed for record in the Office of the Recorder of Deeds of Cook County, Illinois on October 12, 1989 as Document No. 89482732.

Real Estate:

Leasehold Estate as created and defined in that certain lease dated as of July 15, 1988 between American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement dated June 16, 1986 and known as Trust Number 67628 and Donald Ogilvie, a memorandum of which Lease was recorded October 12, 1989 as Document Number 89,482,732, demising and leasing for a term as therein provided, the following described premises, to wit:

That part of the West 1/2 of the Northwest 1/4 of Section 27, Township 39 North, Range 13 East of the Third Principal Meridian, described as follows:

Commencing at the point of intersection of the East line of South Cicero Avenue (being a line 33.00 feet East of and parallel with the West line of said Northwest 1/4) and the

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South line of Cermak Road (being a line 75.00 feet South of and parallel with the North line of said Northwest 1/4); thence South 0 Degrees 02 Minutes 01 Seconds East, along said East line of South Cicero Avenue, 1376.38 feet to the point of beginning of the tract herein described: thence continuing South 0 Degrees 02 Minutes 01 Seconds East, along said East line, a distance of 171.30 feet; thence South 45 Degrees 02 Minutes 01 Seconds East, 28.28 feet; thence North 89 Degrees 57 Minutes 59 Seconds East, along a line drawn perpendicular to the East line of Cicero Avenue, 130.00 feet; thence North 44 Degrees 57 Minutes 59 Seconds East 35.36 feet; thence North 0 Degrees 02 Minutes 01 Seconds West 166.30 feet; thence South 89 Degrees 57 Minutes 59 Seconds West 175.00 feet to the hereinabove described point of beginning, in Cook County, Illinois.

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