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MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

from

St. Coletta's of Illinois Foundation  
and  
St. Coletta's of Illinois

GRANTOR

to

MARINE BANK OF SPRINGFIELD  
as Mortgage Trustee

The amount of Indebtedness is \$189,400

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Pertaining to  
the Obligations of Grantor under a certain  
Loan Agreement with  
Illinois Development Finance Authority

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Dated as of September 9, 1991

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Property of Cook County Clerk's Office

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STATE OF ILLINOIS )  
 )  
COUNTY OF COOK )

MORTGAGE, SECURITY AGREEMENT AND  
FINANCING STATEMENT

This MORTGAGE, SECURITY AGREEMENT AND FINANCING AMENDMENT, dated as of September 9, 1991 (together with any amendments or supplements hereto, this "Mortgage"), from St. Coletta's of Illinois Foundation and St. Coletta's of Illinois (the "Grantor"), an Illinois Not-for-profit corporation, to MARINE BANK OF SPRINGFIELD, as Mortgage Trustee (together with any successors or substitutes in such capacity, the "Mortgage Trustee"), for the use and benefit of:

(i) ILLINOIS DEVELOPMENT FINANCE AUTHORITY (the "Authority"), as seller and lender under a certain Loan Agreement (the "Loan Agreement") dated as of June 1, 1991, wherein Grantor is obligated to make certain "Contract Payments" (as defined in the Loan Agreement) in payment of the "Indebtedness," as herein defined; and

(ii) MARINE BANK OF SPRINGFIELD, Springfield, Illinois (the "Trustee"), as assignee of the Authority's interest in the Loan Agreement and this Mortgage, as trustee for the benefit of the holders of Illinois Development Finance Authority (Community Rehabilitation Providers Acquisition Program) Revenue Bonds, Series 1991 (the "Bonds"), under the terms, provisions and lien of that certain Indenture of Trust (the "Trust Indenture"), dated July 1, 1991;

as their respective interests may appear, and parties being herein called collectively the "Beneficiary."

W I T N E S S E T H:

WHEREAS, under the Loan Agreement the Authority has agreed, through the issuance of the Bonds, to provide funds to construct, acquire, refinance and/or improve 8141 West 84th Street, Justice, Illinois 60458 (herein defined as the "Property") and the Grantor has agreed to make certain Contract Payments in payment therefor; and

WHEREAS, the Authority has assigned to the Trustee, for the benefit of the holders of the Bonds, all of its right, title and interest in and to the obligations of the Grantor under the Loan Agreement and this Mortgage, including the right to receive the Contract Payments, except for the Administration Fee, together with all moneys in and investments of all funds created in the Trust Indenture, and all property, rights and interest of any kind delivered to the Trustee as additional security under the Trust Indenture and under this Mortgage; and

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WHEREAS, in order to induce the Authority to sell the Bonds and the purchasers to purchase the same, the Grantor has agreed to execute and deliver this Mortgage in order further to secure the payment of the Indebtedness and the other amounts due under the Trust Indenture and the Mortgage; and

NOW, THEREFORE, the Grantor, in consideration of the premises and of the covenants and agreements herein contained and the sum of One Dollar (\$1.00), in lawful money of the United States of America, to it duly paid at or before the execution and delivery of this Mortgage, and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, in order to secure the payment of the Indebtedness (hereinafter defined) and the performance and observance of all the covenants herein, does hereby BARGAIN, SELL, GRANT, CONVEY, TRANSFER, MORTGAGE, PLEDGE and ASSIGN to the Mortgage Trustee and his successors and substitutes in trust hereunder, the Mortgaged Property (hereinafter defined), subject to Permitted Encumbrances (hereinafter defined).

TO HAVE AND TO HOLD the Mortgaged Property, whether now owned or held or hereafter acquired, unto the Mortgage Trustee, its successors and assigns, forever, but IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth to secure equally and ratably the payment of the Indebtedness, present and future, and to secure the performance of and compliance with the obligations, covenants and conditions herein set forth.

IT IS HEREBY COVENANTED, DECLARED AND AGREED that the liens and security interests created by this Mortgage to secure the payment of the Indebtedness, both present and future, shall be first, prior and superior to any lien, reservation of title or other interest heretofore, contemporaneously or subsequently suffered or granted by the Grantor, its legal representatives, successors or assigns, in and to the Mortgaged Property except only Permitted Encumbrances and that the Mortgaged Property is to be held, administered and disposed of by the Mortgage Trustee upon and subject to the terms, covenants, conditions, uses, agreements and trusts set forth in this Mortgage as follows:

## ARTICLE I

### Definitions of Terms

Section 1.1. Definitions. When used in this Mortgage, capitalized terms shall have the meanings specified in this Section unless the context clearly requires otherwise:

"Beneficiary" - Collectively, the Authority and the Trustee and their respective successors.

"Commercial Code" - The Illinois Uniform Commercial Code, as now written or hereafter amended or succeeded.

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"Indebtedness" - All Contract Payments, plus all other amounts payable by the Grantor under the Loan Agreement except for the Administration Fee, and plus any amounts payable hereunder.

"Mortgaged Property" - The following property:

(a) the real property (the "Project Site") described by metes and bounds in Exhibit A attached hereto and incorporated herein for all purposes as same exist or may be supplemented from time to time; all buildings, improvements, structures and fixtures now situated or hereafter placed thereon; all additions, enlargements, extensions and improvements thereto and substitutions therefor; and all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances in any way appertaining thereto;

(b) the Personalty and all other property, real, personal or mixed, purchased from the Principal Amount deposited for the use of the Grantor under Section 2.4 of the Loan Agreement or described in a requisition of funds from the Acquisition Fund made pursuant to the Loan Agreement; all additions, enlargements, substitutions, accessions, replacements and revisions thereof and thereto and all remainders thereof; and all other security or collateral of any nature whatsoever now or hereafter given for the repayment of any indebtedness payable under the Loan Agreement or the performance of any obligations under the Loan Agreement;

(c) all of the Contract Payments, except the Administration Fee, and all other amounts required to be paid to the Trustee under the Loan Agreement;

(d) the proceeds, products and any other rents of any of the property described in clauses (a) and (b) of this definition of Mortgaged Property;

(e) all amounts on deposit from time to time in the Acquisition Fund, the Finance Payment Fund, the Reserve Fund, and the Delivery Costs Fund; and

(f) all funds, accounts, assets, rights, moneys, and proceeds of the Grantor on which a lien and security interest are created under Section 3.2(2) of the Loan Agreement (and this Mortgage constitutes a continuation thereof).

"Mortgage Trustee" - Marine Bank of Springfield, or its successor.

"Permitted Encumbrances" - As defined in the Loan Agreement.

"Personalty" - All tangible or intangible personal property that is purchased in whole or in part with the proceeds of the advance made under the Loan Agreement, including but not limited to, the property described on Exhibit B.

Section 1.2. Certain Matters. Whenever the context thereof requires:

(i) references in this Mortgage to the singular number shall include the plural and vice versa; and

(ii) words denoting gender shall be construed to include the masculine, feminine and neuter.

(b) The Table of Contents and the titles given to any article or section of this Mortgage are for convenience only and are not intended in any way to modify, amend or limit the article or section.

Section 1.3. Other Terms. The capitalized terms used in this Mortgage, including the "Whereas clauses" hereof that are not defined herein shall have the meanings assigned to them in the Loan Agreement and the Trust Indenture.

## ARTICLE II

### General Covenants and Provisions

Section 2.1. Instruments of Further Assurance; Recording. The Grantor covenants that it shall:

(a) cause to be taken any action reasonably required by the Mortgage Trustee for the better assigning, pledging and confirming to the Mortgage Trustee of the Mortgaged Property;

(b) from time to time, if required by the Beneficiary, cause this Mortgage and each amendment and supplement hereto (or a memorandum with respect hereto or to such amendment or supplement) to be filed, registered and recorded and to be refiled, re-registered and re-recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect the lien of this Mortgage upon the Mortgaged Property; and

(c) execute, acknowledge and deliver such further assurances and documents as in the reasonable opinion of the Mortgage Trustee and Beneficiary shall be necessary, proper or appropriate to:

(i) convey and assign to the Mortgage Trustee all of the Mortgaged Property herein conveyed or assigned, or intended so to be; or

(ii) properly evidence or give notice of the Indebtedness or of each lien and security interest securing payment of the Indebtedness.



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**Section 2.2. Title to Mortgaged Property.** The Grantor warrants that it owns full, fee simple title to the Mortgaged Property, save and except only for Permitted Encumbrances.

**Section 2.3. General Covenants.** For the purpose of better securing payment of the Indebtedness, the Grantor expressly covenants and agrees with the Mortgage Trustee, for the benefit of the Beneficiary, that:

(i) No lien, security interest, right or remedy in favor of the Beneficiary granted in or secured by this Mortgage shall be considered as exclusive, but all liens, security interests, rights and remedies under this Mortgage shall be cumulative of each other and of all other rights and remedies that the Beneficiary may now or hereafter have as security for or in respect of the Indebtedness or any part thereof.

(ii) All rights of marshalling of assets or sale in inverse order of alienation in the event of foreclosure of any lien or security interest at any time securing the Indebtedness or any part thereof (including, but not limited to, the lien hereby created) are hereby waived.

(iii) The Grantor will assist, if requested, in the correction of any defect in title to the Mortgaged Property other than any Permitted Encumbrance should any such defect be found to exist after the execution and delivery hereof and agrees that it will not, through its action, permit any liens other than Permitted Encumbrances to be placed thereon.

**Section 2.4. Defects in Documents.** Upon request of the Beneficiary, the Grantor, will promptly cause to be corrected any defect in this Mortgage and in any other document executed in connection herewith, including any defect in the execution or acknowledgment hereof or thereof or in the description of the Mortgaged Property.

**Section 2.5. Consent to Release.**

(a) Except as provided in subsection (b) to this Section, the Beneficiary, without the prior written consent of all holders of the Bonds, shall not have the right to release any part of the Mortgaged Property now or hereafter subject to the lien hereof or any other security the Beneficiary now has or may hereafter have securing payment of all or any part of the Indebtedness.

(b) The Beneficiary may release, in whole or part, any lien on the Mortgaged Property created hereunder without the prior written consent of all the holders of the Bonds if such release is otherwise permitted under the Trust Indenture, is approved by the Trustee, and is permitted by the Special Conditions to the Loan Agreement.



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**Section 2.6. Legal Proceedings Affecting Mortgaged Property.** With respect to any legal proceedings affecting title to, or the lien of this Mortgage upon the Mortgaged Property or any part thereof, the Grantor, promptly upon the commencement thereof, shall notify the Mortgage Trustee and the Beneficiary, and the Beneficiary or the Mortgage Trustee may take such action as is required to preserve the Mortgage Trustee's rights affected thereby.

## **Section 2.7. Successor Mortgage Trustee.**

(a) In case of resignation or any failure of the Mortgage Trustee to act, or if the Beneficiary shall desire to replace the Mortgage Trustee, the Beneficiary may appoint a successor Mortgage Trustee, without other formality than an appointment in writing designating such successor, whereupon this designation shall vest in such successor the estate in and title to all of the Mortgaged Property.

(b) The successor Mortgage Trustee shall thereupon hold, possess and exercise all the title, rights, powers and duties herein conferred on the previous Mortgage Trustee, and the successor Mortgage Trustee's conveyance to the purchaser at any sale shall be as valid and effective as if made by the original Mortgage Trustee.

(c) The authority to appoint a successor Mortgage Trustee may be exercised at any time and from time to time without cause.

## **ARTICLE III**

### **Discharge**

#### **Section 3.1. Discharge.**

(a) When all of the Indebtedness has been paid or all obligations relating thereto have been satisfied in accordance with the Loan Agreement, then this Mortgage and the lien created hereby shall terminate and the Mortgaged Property shall revert to the Grantor for disposition in accordance with the Agreement.

(b) Upon the reversion of the Mortgaged Property to the Grantor, the Mortgage Trustee shall execute such documents as may be reasonably requested by the Grantor to evidence the discharge and satisfaction of this Mortgage and release the Mortgaged Property described in clause (a) of the definition of that term herein from the lien of this Mortgage.

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## ARTICLE IV

### Foreclosure Proceedings

**Section 4.1. Right to Foreclosure.** Upon the occurrence of an Event of Default, as defined in Section 5.1 of the Loan Agreement, the Mortgage Trustee, acting at the direction of the Beneficiary, shall have the right to enforce this trust by selling the Mortgaged Property described in clause (a) of the definition of that term herein, in whole or in part, in one or more parcels.

### Section 4.2. Method of Sale.

(a) The sale shall be made in any county in which any interest in real estate subject to this Mortgage is situated; provided that, if such real estate is situated in more than one county, notices as hereinafter provided shall be given in all such counties and such notices shall designate the county where such interest in real estate will be sold.

(b) Notice of any sale shall be given by posting written notice thereof at least 21 days preceding the date of the sale at the courthouse door in the county in which the real estate is located; provided that, if such real estate is situated in more than one county, one notice shall be posted at the courthouse door of each county where such real estate is situated.

(c) The Mortgage Trustee, at least 21 days preceding the date of any sale, shall serve the Grantor with written notice of the proposed sale by registered or certified mail, return receipt requested.

(d) Service of notice upon the Grantor shall be completed upon deposit of the notice, enclosed in a postpaid wrapper, properly addressed to the Grantor, in a post office or official depository under the care and custody of the United States Postal Service.

(e) The affidavit of any person having knowledge of factors to the effect that such service was completed shall be prima facie evidence of the fact of service.

(f) After written notice has been posted and served upon the Grantor, the Mortgage Trustee shall:

(i) enforce this trust by selling the Mortgaged Property either as an entirety or in parcels at public sale in front of the door of the courthouse of the county designated in such notice on the first Tuesday in any month between the hours of 10:00 a.m. and 4:00 p.m., to the highest bidder or bidders for cash; and

(ii) convey the Mortgaged Property with general warranty to any purchaser.

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(g) In the event of any conveyance as a result of foreclosure, the Grantor and legal representatives, successors and assigns shall be forever bound thereby; but the Grantor shall not be required at its expense to defend the same.

(h) The provisions of this Mortgage relating to posting and giving notices of sale are intended to comply with the provisions of the Illinois Mortgage Foreclosure Act in effect on the date hereof; provided that, if any requirement for such notice is changed, then the notice provisions of this Mortgage shall be modified to conform with any change in law as of the effective date thereof.

(i) The manner herein prescribed for serving or giving any notice, other than that to be posted or caused to be posted by the Mortgage Trustee, shall not be deemed exclusive but such notice or notices may be given in any other manner permitted by law or the Agreement.

(j) In the event of a sale hereunder, the Mortgage Trustee shall use its reasonable good faith efforts to obtain a purchase price for the Mortgaged Property equal to or greater than the then current amount of the Indebtedness.

## Section 4.3. Application of Proceeds; Effect of Sale.

(a) The Mortgage Trustee shall deliver to the Trustee the proceeds of any foreclosure sale for application and in accordance with Section 6.11 of the Trust Indenture.

(b) Any proper sale hereunder shall forever be a bar against the Grantor, its legal representatives, successors and assigns, and all other persons claiming under any of them.

(c) The recitals in each conveyance to the purchaser shall be:

(i) full evidence of the truth of the matters therein stated; and

(ii) *prima facie* evidence that all lawful prerequisites to such sale have been satisfied.

## Section 4.4. Abandonment of Sale.

(a) If foreclosure is instituted by the Mortgage Trustee, the Beneficiary, at any time before the sale, may direct the Mortgage Trustee to abandon the sale and may at any time thereafter direct the Mortgage Trustee to abandon the sale and may at any time thereafter direct the Mortgage Trustee again to institute foreclosure.

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(b) If the Mortgage Trustee institutes suit for foreclosure of the lien of this Mortgage, the Beneficiary, at any time before the entry of final judgment, may direct the Mortgage Trustee to dismiss such action and require the Mortgage Trustee to sell the Mortgaged Property.

**Section 4.5. Non-Extinguishment of Lien.** No sale by the Mortgage Trustee under this Mortgage and no judicial foreclosure shall extinguish the lien or exhaust the power of sale under this Mortgage except with respect to the items of property sold; provided that, the lien of this Mortgage and power of sale shall exist and may be exercised in any manner permitted by law as often as the circumstances require to give the Beneficiary full relief hereunder.

## **Section 4.6. Right to Purchase.**

(a) The Beneficiary shall have the right to become the purchaser at any sale made hereunder.

(b) The amount of outstanding Indebtedness shall be deemed cash paid by the Beneficiary for the purposes of this Article.

## **ARTICLE V**

### **Obligations, Waivers, Limits**

#### **Section 5.1. Performance of Grantors' Obligations.**

(a) If, after the giving of any notice, the Grantor fails within 15 days after the giving of such notice to comply with any request under this or any other instrument securing, guaranteeing or otherwise relating to the Indebtedness or any part thereof, then the Beneficiary may perform such obligations, at its own expense, on behalf of and in the name of the Grantor.

(b) Any and all expenditures or expenses incurred or paid in performing the Grantor's obligations under this Mortgage or any other agreement relating to the Indebtedness shall be an additional amount payable to the Trustee under the Loan Agreement.

**Section 5.2. No Waiver.** The exercise of the privileges granted in this Article shall not constitute a waiver of the right of the Beneficiary at any time after default hereunder, to declare the Indebtedness to be immediately due and payable. These privileges are cumulative of all rights given the Beneficiary by this Mortgage, by the Loan Agreement or by law.

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ARTICLE VI

## Hazardous Materials

**Section 6.1. Hazardous Materials.** For the purposes of this Article VI, Grantor agrees that, unless the context otherwise specifies or requires, the following terms shall have the following meanings:

(a) "Hazardous Materials" shall mean any and all of the following, except to the extent that any of the following are used by Grantor in the ordinary course of its business in compliance with any applicable rules and regulations (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.) ("CERCLA"), as amended from time to time, and regulations promulgated thereunder; (iii) asbestos; (iv) polychlorinated biphenyls; (v) underground storage tanks, whether empty, filled or partially filled with any substance, (vi) any substance the presence of which on the Mortgaged Property is prohibited by any applicable governmental requirements and regulations ("Governmental Requirements"); and (vii) any other substance which by any Governmental Requirements requires special handling or notification of any federal, state, or local governmental entity in its collection, storage, treatment or disposal.

(b) "Hazardous Materials Contamination" shall mean the contamination (whether presently existing or hereafter occurring) of any improvements, facilities, soil, groundwater, air or other elements on or of the Mortgaged Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air, or other elements on or of any other property as a result of Hazardous Materials at any time (whether before or after the date of this Deed of Trust) emanating from the Mortgaged Property.

**Section 6.2. Representations and Warranties.** Grantor represents and warrants that:

(a) Except as has been disclosed to the Beneficiary in writing on or before August 22, 1991, the Grantor has not caused or permitted any Hazardous Materials to be placed, held, located or disposed of on the Mortgaged Property, and, to Grantor's knowledge, no other person has ever caused or permitted any Hazardous Materials to be placed, held, located, or disposed of on, under, or at the Mortgaged Property or any part thereof;

(b) No part of the Mortgaged Property is being used or, to the knowledge of Grantor, has been used at any previous time for the disposal, storage, treatment, processing, or other handling of Hazardous Materials, nor is any part of the Mortgaged Property affected by any Hazardous Materials Contamination;



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(c) To the Grantor's actual knowledge without independent investigation, no property adjoining the Mortgaged Property is being used, or has ever been used at any previous time, for the disposal, storage, treatment, processing or other handling of Hazardous Materials, nor is any other property adjoining the Mortgaged Property affected by Hazardous Materials Contamination; and

(d) No notice of any investigation, administrative order, consent order and agreement, litigation or settlement with respect to Hazardous Materials or Hazardous Materials Contamination has been received and, to the best of the Grantor's knowledge, no investigation, administrative order, consent order and agreement, litigation or settlement with respect to Hazardous Materials Contamination is proposed, threatened, anticipated or in existence with respect to the Mortgaged Property. The Mortgaged Property is not currently on, and to Grantor's knowledge, after diligent investigation and inquiry, has never been on, any federal or state "Superfund" or Superlien" list.

### Section 6.3. Grantor's Covenants. Grantor agrees to

(a) give notice to each Beneficiary immediately upon Grantor's acquiring knowledge of the presence of any Hazardous Materials on the Mortgaged Property or any Hazardous Materials Contamination with a full description thereof; (b) promptly comply with any Governmental Requirements requiring the removal, treatment or disposal of such Hazardous Materials or Hazardous Materials Contamination and provide each Beneficiary with satisfactory evidence of such compliance; and (c) provide each Beneficiary, within thirty (30) days after demand by a Beneficiary, with a bond, letter of credit or similar financial assurance evidencing to such Beneficiary's satisfaction that the necessary funds are available to pay the costs of removing, treating and disposing of such Hazardous Materials or Hazardous Materials Contamination and discharging any assessments which may be established on the Mortgaged Property as a result thereof.

### Section 6.4. Site Assessments.

The Beneficiary (by their respective officers, employees and agents) and the respective successor and assignees of such parties at any time and from time to time, either prior to or after the occurrence of an Event of Default, may contract for the services of persons (the "Site Reviewers") to perform environmental site assessments ("Site Assessments") on the Mortgaged Property for the purpose of determining whether there exists on the Mortgaged Property any environmental condition which could reasonably be expected to result in any liability, cost, or expense to the owner, occupier or operator of such Mortgaged Property arising under any state, federal or local law, rule or regulation relating to Hazardous Materials. The Site Assessments may be performed at any time or times, upon reasonable notice, and under reasonable conditions established by Grantor which do not impede the performance of the Site Assessments. The Site Reviewers are authorized to enter upon the Mortgaged Property for such purposes. The Site Reviewers are further authorized to perform both above and below the ground testing for

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environmental damage or the presence of Hazardous Materials on the Mortgaged Property and such other tests on the Mortgaged Property as may be necessary to conduct the Site Assessments in the reasonable opinion of the Site Reviewers. Grantor will supply to the Site Reviewers such historical and operations information regarding the Mortgaged Property as may be reasonably requested by the Site Reviewers to facilitate the Site Assessments and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. On request, the Beneficiary shall make the results of such Site Assessments fully available to Grantor, which (prior to an Event of Default hereunder) may, at Grantor's election, participate under reasonable procedures in the direction of such Site Assessments and the description of tasks of the Site Reviewers. The cost of performing such Site Assessments shall be paid by Grantor upon demand of the Beneficiary, and any such obligations shall be Indebtedness secured by this Mortgage.

**Section 6.5. Rights of the Beneficiary.** Following the receipt of any notice from any person or entity asserting the existence of any Hazardous Materials or Hazardous Materials Contamination pertaining to the Mortgaged Property or any part thereof which, if true, could result in an order, suit, imposition of a lien on the Mortgaged Property, or other action and/or which, in the Beneficiary's sole opinion, could jeopardize the Beneficiary's security under this Mortgage, the Beneficiary and their respective successors and assigns, shall have the right, but not the obligation, prior or subsequent to an Event of Default, without in any way limiting the Beneficiary's other rights and remedies under this Mortgage, to enter onto the Mortgaged Property or, after 15 days notice to the Grantor of its intent to exercise its rights under this Section 6.5, to take such other actions as the Beneficiary deems necessary or advisable to clean up, remove, resolve, or minimize the impact of, or otherwise deal with, any Hazardous Materials and Hazardous Materials Contamination on the Mortgaged Property. All costs and expenses paid or incurred by the Beneficiary and their respective successors and assigns in the exercise of any such rights shall be Indebtedness secured by this Mortgage and shall be payable by Grantor upon demand.

## ARTICLE VII

### Security Agreement

**Section 7.1. Security Interest.** Without limiting any of the provisions of this Mortgage, the Grantor, as the debtor, expressly grants unto the Beneficiary, as the secured party, a security interest in all of the Mortgaged Property described in clauses (b), (c), (d), (e), and (f) in the definition of that term herein, as collateral to secure the payment of the Indebtedness (both now and hereafter existing), to the full extent that such Mortgaged Property may be subject to the Commercial Code.



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## Section 7.2. Covenants.

(a) Upon the occurrence and condition of an Event of Default, the Mortgage Trustee or the Beneficiary may:

(i) exercise with respect to such Mortgaged Property all the rights, remedies and powers of a secured party under the Commercial Code, including without limitation, the right and power to sell at public or private sale, or otherwise dispose of, lease or utilize such Mortgaged Property and any part thereof, and, as to contract rights, accounts, and the proceeds thereof that constitute a part of the Mortgaged Property, to make presentment and demand on the debtors and obligors thereof for payment of all services due thereunder directly to the Trustee, all in the manner authorized by or permitted under the Commercial Code after default by a debtor; and

(ii) apply the proceeds thereof toward payment of the Indebtedness by delivery of the same to the Trustee for application and use in accordance with the Trust Indenture.

(b) Among the rights of Beneficiary after the occurrence of an Event of Default, the Beneficiary shall have the right:

(i) to enter upon any premises where such Mortgaged Property is situated and take possession thereof without being deemed guilty of trespass and without liability for damages occasioned thereby; and

(ii) to take any action deemed necessary, appropriate or desirable by Beneficiary to repair, refurbish or otherwise prepare the Mortgaged Property for sale, lease or other use or disposition as herein authorized.

(c) The Grantor agrees that if notice is given to the Grantor as provided in Section 8.2 of this Mortgage at least ten days before the time of any public sale or disposition, or the date after which such Mortgaged Property will be sold or disposed of by private sale, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of any such notice.

(d) The Beneficiary is expressly granted the right, upon the occurrence and during the continuance of an Event of default to:

(i) transfer at any time to itself or its nominee any part of such Mortgaged Property;

(ii) receive the money, income, proceeds or benefits from the Mortgaged Property, for application in accordance with the Trust Indenture;

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(iii) hold the Mortgaged Property as security for the Indebtedness; or

(iv) apply the Mortgaged Property, including money constituting a part thereof, on the principal and interest or other amounts owing on any of the Indebtedness, whether or not then due.

(e) All rights to the marshalling of assets or sale in inverse order of alienation, including any rights with respect to such Mortgaged Property are hereby waived.

(f) All recitals in any assignment or other instrument executed by Beneficiary incident to sale, transfer, assignment, lease or other disposition or utilization of any part of such Mortgaged Property hereunder shall be prima facie evidence of the matters stated therein; no other proof shall be required to establish the legality of the sale; and all prerequisites of such sale or other action shall be presumed conclusively to have been performed or to have occurred.

(g) After an Event of Default the Beneficiary may require the Grantor to assemble such Mortgaged Property and make it available to Beneficiary at a place to be designated by Beneficiary that is reasonably convenient to both parties.

(h) All reasonable and necessary expenses of retaking, holding, preparing for sale, lease or other use or disposition, selling, leasing or otherwise using or disposing of such Mortgaged Property that are incurred or paid by the Beneficiary or the Mortgage Trustee as authorized or permitted hereunder, including all reasonable and necessary attorney's fees and other legal expenses and costs, shall be added to the Indebtedness secured by this Mortgage.

(i) The Beneficiary, at any time after delivery of this Mortgage, may sign one or more copies hereof in order that such copies may be used as a financing statement under the Commercial Code, and such signature by the Beneficiary may be placed between the last sentence of this Mortgage and the Grantor's acknowledgment or may follow the Grantor's acknowledgment; provided that, such signature need not be acknowledged and is not necessary to the effectiveness hereof as a deed of trust, mortgage, assignment, pledge or security agreement or (unless otherwise required by law) as a financing statement.

(j) So long as any amount remains unpaid on the Indebtedness, the Grantor will not execute and file in any public office any financing statement or statements affecting the Mortgaged Property other than financing statements in favor of the Beneficiary hereunder, unless prior written specific consent and approval of the Beneficiary shall have been first obtained.

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(k) The Beneficiary is authorized to file in any jurisdiction where the Beneficiary deems necessary to protect or perfect its security interest in the Mortgaged Property, a financing statement or statements and one or more continuation statements.

(l) At the request of the Beneficiary, the Grantor shall join the Beneficiary in executing one or more financing statements, continuation statements or both, pursuant to the Commercial Code in the form satisfactory to the Beneficiary.

(m) Certain portions of the Mortgaged Property are or may become "fixtures" (as that term is defined in the Commercial Code), and this Mortgage, upon being filed for record in the real estate records of the county wherein such fixtures are situated, shall operate also as a financing statement filed as a fixture filing in accordance with Section [9.402(f)] of the Commercial Code upon the portions of the Mortgaged Property that are or may become "fixtures."

Section 7.3. Mailing Address. The mailing addresses of the Grantor, as debtor, and the Beneficiary, as secured party, are as provided in Section 8.2 of this Mortgage.

## ARTICLE VIII

### General

Section 8.1. Right of Trustee to Direct Remedies. The Trustee shall have the exclusive right to direct remedies hereunder in accordance with the Trust Indenture.

### Section 8.2. Notices.

(a) All notices, demands, or other communications required by or made pursuant to this Mortgage shall be in writing and given by registered or certified mail, return receipt requested, postage prepaid, or by overnight delivery, addressed as follows:

(i) If to the Grantor:

St. Coletta's of Illinois Foundation  
St. Coletta's of Illinois  
123rd and Wolf Road  
Palos Park, Illinois 60464

(ii) If to the Mortgage Trustee:

Marine Bank of Springfield  
East Old State Capitol Plaza  
Springfield, Illinois 62701

(iii) If to the Trustee, as a Beneficiary:

Marine Bank of Springfield  
East Old State Capitol Plaza  
Springfield, Illinois 62701

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(iv) if to the Authority:

Illinois Development Finance Authority  
2 North LaSalle Street  
Chicago, Illinois 60602  
Attention: Executive Director

(b) The parties may designate any further or different addresses to which subsequent notices of other communications may be sent.

(c) Any communication delivered by mail in compliance with this Section shall be deemed given as of the date of deposit in the mail.

(d) Any provisions of this Mortgage that provides for a specific method of giving notice or otherwise conflicts with this Section supersedes this Section to the extent of the conflict.

**Section 8.3. Extension, Rearrangement or Renewal of Indebtedness.**

(a) Any of the Indebtedness at any time secured hereby, at the Beneficiary's discretion, may be extended from time to time for any period, rearranged or renewed, and any part of the security herein described, or any other security for the Indebtedness, may be waived or released without in any way altering, varying or diminishing the force, effect or lien of this Mortgage and the lien and security interest granted by this Mortgage shall continue as a prior lien and security interest on the entire Mortgaged Property not expressly released until all of the Indebtedness is fully paid.

(b) No other security now existing or hereafter taken to secure the Indebtedness or any part thereof or the performance of any obligation or liability whatever shall in any manner impair or affect the security given by this Mortgage.

(c) All security for the Indebtedness or any part thereof and the performance of any obligation or liability shall be taken, considered and held as cumulative.

**Section 8.4. Tenants at Will.**

(a) The Grantor agrees for itself and any and all persons or concerns claiming by, through or under the Grantor, that if the Grantor holds possession of the Mortgaged Property or any part thereof subsequent to foreclosure hereunder, the Grantor, or the parties so holding possession, shall become and be considered as tenants at will of the purchaser or purchasers at such foreclosure sale.

(b) Any tenant claiming any interest in the Mortgaged Property subsequent to foreclosure by or through the Grantor who does not surrender possession upon demand shall be:

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- (i) guilty of forcible detainer;
  - (ii) liable to such purchaser or purchasers for reasonable rental on such premises; and
  - (iii) subject to eviction and removal, forcible or otherwise, with process of law.
- (c) All damages that may be sustained by any tenant maintaining possession of the Mortgaged Property after foreclosure are expressly waived.

## Section 8.5. Waiver of Stay or Extension.

(a) The Grantor will not claim or benefit from any advantage of:

(i) any stay or extension law now or at any time hereafter in force in any locality where the Mortgaged Property or any part thereof is situated; or

(ii) any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property prior to any sale thereof to be made pursuant to this Mortgage or pursuant to any decree of any court of competent jurisdiction.

(b) After any sale, the Grantor will not claim or exercise any right conferred by any law now or at any time hereafter in force to redeem the property sold or any part thereof.

(c) The Grantor will not hinder, delay or impede the execution of any power herein granted and delegated to the Mortgage Trustee or the Beneficiary.

**Section 8.6. Severability.** If any clause, provision or section of this Mortgage is ruled invalid or unenforceable by a court of competent jurisdiction, the invalidity or unenforceability thereof shall not affect any of the remaining clauses, provisions or sections hereof.

**Section 8.7. Encumbrances.** This Mortgage is executed subject to all valid easements, restrictions, covenants, mineral and royalty reservations and maintenance charges, if any, applicable to and enforceable against the Mortgaged Property that have been duly recorded in the real estate records of the county where any portion of the Mortgaged Property is located prior to the date of the recording of this Mortgage.

**Section 8.8. Amendment.** This Mortgage may be amended only by an instrument in writing signed by the duly authorized representative of the Grantor and of (i) the Beneficiary, or (ii) if the amendment would adversely affect the interests of the Bondholders under this Mortgage, as determined by the Beneficiary, the Beneficiary acting at the Bondholders' direction in accordance with the Trust Indenture.

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Section 8.9 Applicable Law. This Mortgage shall be governed in all respects, whether as to validity, construction, performance or otherwise, by the laws of the State of Illinois and, if applicable, Federal law.

Section 8.10. Construction Mortgage. This is a "construction mortgage" within the meaning of Sections [9.105(a)] and [9.313(a)] of the Commercial Code. This Mortgage secures an obligation for the construction of an improvement on land.

IN WITNESS WHEREOF, Grantor has caused this Mortgage to be signed on its behalf by its duly authorized representative on this 9th day of September, 1991, and actually delivered on and as of said date.

[SEAL] OFFICIAL SEAL " ANITA M. KIECA NOTARY PUBLIC, STATE OF ILLINOIS MY COMMISSION EXPIRES 5/21/96

*Anita M. Kieca*

ATTEST:

ST. COLETTA'S OF ILLINOIS FOUNDATION, Grantor

By: *James Madda*  
President

By: *A. P. ...*  
Secretary

St. Coletta's of Illinois executes this Mortgage, Security Agreement and Financing Statement solely for the purpose of subordinating its interest in the mortgaged premises, if any, to the lien of this Mortgage.

[SEAL] " OFFICIAL SEAL " ANITA M. KIECA NOTARY PUBLIC, STATE OF ILLINOIS MY COMMISSION EXPIRES 5/21/96

*Anita M. Kieca*

ATTEST:

ST. COLETTA'S OF ILLINOIS Grantor

By: *Paul F. Ashwan*  
President

By: *Jillie C. ...*  
Secretary

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EXHIBIT A 4 / 2 2 0 4

to

MORTGAGE, SECURITY AGREEMENT, AND  
FINANCING STATEMENT

## Metes and Bounds Description of Project Sites

\*\*Lot TWO (2) in CSOKE SUBDIVISION, being a Resubdivision of Lot THREE (3) in Block SIX (6) in Frederick H. Bartlett's GOLVIEW, being a subdivision of the East One-half (E 1/2) of the South East One-quarter (SE 1/4) of Section 35, Township 38 North, Range 12, East of the Third Principal Meridian, in COOK COUNTY, Illinois\*\*

## Permanent Parcel Identification Number

18-35-405-001-0000 Vol. 085

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EXHIBIT B  
to  
MORTGAGE, SECURITY AGREEMENT, AND  
FINANCING STATEMENT

Description of Personality

Not Applicable

Property of Cook County Clerk's Office

Prepared by: Kevin J. Morrissey  
Director of Finance  
St. Coletta's of Illinois  
(708) 448-6520



DEPT-01 RECORDING \$36.00  
182222 TRN 7650 09/11/91 14 46 00  
48566 H B \* 91-472204  
COOK COUNTY RECORDER

Send to: Kevin J. Morrissey  
Director of Finance  
St. Coletta's of Illinois  
123rd and Wolf Road  
Palos Park, IL 60464

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36.00  
E