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PURCHASE MONEY MORTGAGE AND SECURITY AGREEMENT

This PURCHASE MONEY MORTGAGE AND SECURITY AGREEMENT ("Mortgage") is dated as of this 23rd day of January, 1991, and is made and executed by MILAN VYDARENY ("Mortgagor"), in favor of KENJI NOMURA ("Mortgagee").

\$ 38.00

GRANTING CLAUSE

The Mortgagor, for value received, and in consideration of: i. the loan made by the Mortgagee to the Mortgagor and its sole beneficiary, the indebtedness of which is evidenced by a promissory note of even date in the original principal amount of \$200,000.00 ("Promissory Note"), the entire indebtedness of which is due and payable on the first day of February, 1993, unless sooner due and payable pursuant to the terms of the Promissory Note; ii. the conveyance of the Premises to the Mortgagor; and, iii. to secure the payment of the following indebtedness and/or obligations (collectively the "Indebtedness"):

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- i. any and all extensions, renewals, modifications or refinancings of the Promissory Note;
- ii. any other indebtedness, obligation or liability of Mortgagor to Mortgagee, whether direct or indirect, joint or several, absolute or contingent, now or hereafter existing while this Mortgage is in effect, however created and however evidenced; and
- iii. the performance of all covenants and agreements and the accuracy of all representations and warranties contained in this Mortgage and in any other instrument securing the Promissory Note or executed and delivered in connection with the indebtedness represented by the Promissory Note (the Promissory Note, this Mortgage, and any other instrument securing the Promissory Note, or executed and delivered in connection with the indebtedness represented by the Promissory Note, shall hereinafter collectively be referred to as the "Loan Documents");

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does hereby mortgage and convey unto Mortgagee, its successors and assigns forever, the real estate legally described on "Exhibit A" attached hereto and all of his estate, right, title and interest therein ("Real Estate"), together with all of Mortgagor's right, title and interest in and to the following described property (which property, together with the Real Estate, is collectively referred to as the "Premises"), to wit:

(1) any after-acquired title or reversion in and to the beds of any vaults, streets, avenues, alleys and other passageways adjoining the Real Estate;

(2) all easements, appurtenances, tenements and hereditaments, all gas, oil and mineral rights and privileges, all riparian, irrigation and drainage rights and privileges

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and all other rights, liberties and privileges thereof or in any way now or hereafter appertaining, including any after-acquired title, franchise or license and the reversion and reversions and remainder and remainders thereof, relating to or benefiting the Real Estate;

(3) all of Mortgagor's interest and rights as lessor in and to all leases now or hereafter affecting the Premises or any part thereof and all rents, issues, proceeds and profits accruing and to accrue from the Premises, whether payable pursuant to any present or future lease or otherwise growing out of any occupancy or use of the Premises (which are pledged primarily and on a parity with the Real Estate and not secondarily);

(4) all proceeds or sums payable in lieu of or as compensation for the loss of or damage to the Premises, all rights in and to all present and future fire and other hazard insurance policies pertaining to the Premises, any and all monies or other assets (including prepaid insurance policies) at any time on deposit with Mortgagee or a depository designated by Mortgagee (whether deposited by or on behalf of Mortgagor or anyone else) pursuant to any of the provisions of this Mortgage and all awards paid or to be paid in connection with or in lieu of any condemnation, eminent domain, change of grade or similar proceeding for the taking or for the degradation in the value of all or any part of the Premises;

(5) all buildings and improvements of every kind and description now or hereafter erected or placed on the Real Estate and all materials intended for the construction, reconstruction, alteration and repair of any such buildings and improvements, all of which materials shall be deemed to be included within the Premises immediately upon the delivery thereof to the Premises; and

(6) all fixtures and personal property now or hereafter owned by Mortgagor and attached to or contained in and used in connection with the Premises including, but not limited to, heating, cooling, ventilating, communication and security equipment, pipes, pumps, tanks, sprinklers and other plumbing equipment and fixtures, lighting, wires, conduit and other electrical equipment and fixtures, boilers, ranges, furnaces, oil burners and units thereof, vacuum cleaning systems, elevators, escalators, engines, motors and other mechanical equipment and fixtures, awnings, screens, storm doors, windows and window treatments, stoves, refrigerators and other appliances and equipment, partitions, mantels, cabinets and other millwork, rugs, carpets, and other floor coverings, furniture and furnishings used in the operations of the Premises and all additions thereto and renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to any

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building or buildings in any manner, it being mutually agreed, intended and declared that all the aforesaid property shall, so far as permitted by law, be deemed to form a part and parcel of the Premises and for the purpose of this Mortgage to be real estate and covered by this Mortgage;

TO HAVE AND TO HOLD the same unto the Mortgagee, its successors and assigns forever, for the purposes and uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois which rights and benefits the Mortgagor does hereby expressly waive and release.

MORTGAGOR FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. Payment of Principal and Interest. Mortgagor or the Corporation shall pay when due all indebtedness, including principal and interest, under the Promissory Note and shall duly and promptly perform and observe all of the terms, provisions, covenants and agreements on the Mortgagor's part or the Corporation's part to be performed or observed under the Loan Documents. The Mortgagor or the Corporation may prepay part or all of the principal balance under the Promissory Note at any time and from time to time, without premium or penalty.

2. Taxes and Other Charges. Mortgagor shall promptly pay, when due and before the imposition of any penalty, all general taxes, special taxes, special assessments, water charges, sewer service charges, association charges and all other charges of whatever kind, whether ordinary or extraordinary or public or private, which may be assessed, levied or imposed against the Premises and shall furnish to Mortgagee official receipts therefor upon request of Mortgagee. Mortgagor shall also pay, when due and before the imposition of any penalty, all charges incurred for utility service and scavenger service to the Premises whether or not such charges are or will become liens against the Premises. Notwithstanding the foregoing, Mortgagor may contest any of such taxes, assessments and charges in good faith and with reasonable diligence upon notice to Mortgagee and, if reasonably requested by Mortgagee, delivery to Mortgagee of security therefor which is reasonably satisfactory to Mortgagee.

3. Insurance. Until all obligations under the Loan Documents shall have been paid or discharged, Mortgagor, at its expense, shall obtain and maintain insurance coverage against such risks and in such amounts as Mortgagee shall from time to time reasonably request and, in the absence of a contrary request from Mortgagor, shall obtain and maintain the following coverage:

(a) Casualty. An "all-risk" casualty insurance policy covering the improvements now existing or hereafter erected on the Real Estate in an amount that is not less than \$275,000.00.

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(b) Liability. A comprehensive general liability insurance policy with a combined single limit of liability of not less than One Million Dollars (\$1,000,000.00).

All policies of insurance required to be obtained and maintained under this Mortgage shall be in a form reasonably acceptable to the Mortgagee and with companies rated A+ or better by A.M. Best Company, Inc., and otherwise acceptable to the Mortgagee, shall contain a waiver by the insurer of its right of subrogation, if any, against Mortgagee, shall contain an endorsement which, in substance, provides that no act of negligence on the part of the insured or any occupant of the Premises, and no occupancy or use of the Premises for any purpose more hazardous than that permitted by the terms of such policy, will affect the validity or enforceability of such insurance as against the Mortgagee and, on any liability risk policy, shall name Mortgagee as an additional insured and, on all other policies, shall have a noncontributing mortgage endorsement in favor of and entitling the Mortgagee alone to collect any and all of the proceeds payable under such insurance. All such policies of insurance shall also require written notice from the insurer to the Mortgagee at least thirty (30) days prior to the expiration, cancellation or termination of any such policies. Mortgagor shall pay promptly, when due, any premiums on any insurance required to be maintained under this Mortgage. Certified copies of all policies of insurance required to be maintained by Mortgagor under this Mortgage, together with evidence that the premiums therefor have been paid, shall be deposited with Mortgagee and, not less than thirty (30) days prior to the expiration of any such policy, Mortgagor shall deposit a certified copy of the appropriate renewal or replacement policy and evidence of the premium payment therefor as aforesaid. In the event Mortgagee, in its discretion, determines that any insurance provided by Mortgagor does not comply with the insurance requirements set forth herein, then upon notice to Mortgagor, Mortgagee may, at any time and at its own discretion, procure and substitute for any and all of the policies of insurance deposited as aforesaid such other policy or policies of insurance, in such amount and carried with such company as it may determine, and the cost therefor shall be repaid to Mortgagee by Mortgagor upon demand. Mortgagor shall furnish to Mortgagee, upon request, estimates or appraisals of insurable value, without cost to Mortgagee, such as are regularly and ordinarily made by insurance companies to determine the then replacement cost of the building or buildings and improvements on the Real Estate. Mortgagor shall not carry separate insurance concurrent in kind or form, and contributing in the event of any loss, with any insurance required hereunder.

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4. Application of Insurance Proceeds. In the event of any loss or damage to the Premises covered by insurance carried by Mortgagor or required under this Mortgage, Mortgagor shall immediately notify Mortgagee in writing, and Mortgagor is hereby authorized and empowered to adjust, collect and compromise all claims under all such policies of insurance, provided that approval of Mortgagee shall be obtained prior to making any such adjustment, collection or compromise for losses in excess of \$10,000.00. Mortgagor hereby authorizes and directs each and every insurance company concerned to make payments for such loss, if such loss exceeds \$10,000.00, directly and solely to Mortgagee (who may, but need not, make proof of loss) and Mortgagor shall sign, upon demand by Mortgagee, all receipts, vouchers and releases required by each insurance company for such payment. After deducting from any payment received the reasonable expenses incurred by Mortgagee in collecting or handling such insurance proceeds, the Mortgagor shall within 30 days after such loss in excess of \$10,000.00 or damage elect one of the following two options by written notice of such election to the Mortgagee.

(a) Repair and Restoration. The Mortgagor may elect to repair, reconstruct and restore the Premises. In such event the Mortgagor shall proceed forthwith to repair, reconstruct and restore the Premises to substantially the same condition as they existed prior to the event causing such loss or damage and Mortgagor will apply the proceeds (less the reasonable expenses incurred by Mortgagee in collecting such proceeds) of any insurance relating to such damage or destruction received by the Mortgagor from the Mortgagee to the payment or reimbursement of the costs of such repair, reconstruction and restoration. In the event of a loss in excess of \$10,000.00 and provided that the Mortgagor is not in default hereunder, which default is unrelated to the damage or casualty, and provided that the Mortgagor has deposited with the Mortgagee moneys in an amount which, together with the net proceeds of insurance relating to such loss or damage received by the Mortgagee will be sufficient to complete such repair, reconstruction and restoration, such net proceeds and such other moneys shall be released from time to time by the Mortgagor to the Mortgagee upon the receipt of:

(1) the written request of the Mortgagor, specifying the expenditures made or to be made or the indebtedness incurred in connection with such repair, reconstruction and restoration and certifying that such proceeds, together with such other moneys on deposit with the Mortgagee and legally available for such purpose, will be sufficient to complete such repair, reconstruction and restoration;

(2) such information and showings as the Mortgagee may reasonably require for disbursements of the proceeds including, without limitation, satisfactory evidence of the estimated cost of such repair and restoration and such architect's

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certificates, owner's sworn statements, contractors' sworn statements and affidavits, waivers of lien and other evidence of cost, payment and completion as Mortgagee may reasonably require; and

(3) all plans and specifications for such rebuilding or restoration, if the estimated cost of the work to repair or restore the improvements on the Real Estate exceeds Ten Thousand Dollars (\$10,000.00).

Notwithstanding the foregoing, no payment made prior to the final completion of the work shall exceed ninety (90%) percent of the value of the work performed, from time to time.

(b) Prepayment. If the Mortgagor does not elect Option (a) of this Paragraph 4 to repair, reconstruct and restore the Premises, or if the Mortgagor is in default hereunder, which default is not related to the damage or casualty, the Mortgagor shall be deemed to have elected to have such proceeds applied, after deducting therefrom the expenses incurred by Mortgagee in collecting or handling such insurance proceeds, as a credit upon all or any portion of the indebtedness secured by this Mortgage.

In the event of the foreclosure of this Mortgage, or any other transfer of title to the Premises in extinguishment of the indebtedness secured by this Mortgage, all right, title and interest of Mortgagor in and to any insurance policies then in force and any claims or proceeds thereunder, to the extent assignable, shall pass to Mortgagee or any purchaser or grantee of the Premises.

5. General Covenants. Mortgagor shall: (i) keep and maintain the Premises and every part thereof in good repair and condition making such repairs and replacements as may from time to time be necessary or appropriate to keep the Premises in at least as good condition as that existing on the date of this Mortgage, ordinary wear and tear and condemnation and casualty excepted, (ii) subject to the provisions of this Mortgage pertaining to the receipt and application of insurance proceeds, promptly repair, restore or replace any improvements now or hereafter on the Real Estate which may be or become damaged or destroyed to at least as good condition as that existing immediately prior to such damage or destruction, (iii) complete, within a reasonable period of time, any improvements now or, with the consent of Mortgagee, hereafter in the process of being constructed on the Real Estate, (iv) repair, restore or replace any fixtures and personal property now or hereafter on the Real Estate which may be or become damaged or destroyed to a condition or with items at least equal to those repaired, restored or replaced and, if subject to the lien of this Mortgage, free of any security interest therein, encumbrance thereon or reservation of title thereto, (v) comply with all laws, ordinances, regulations and orders of any federal, state, county

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or municipal authority and with any restriction or requirement contained in any recorded instrument relating to the Premises or to the use thereof, (vi) comply with any conditions and requirements necessary to maintain the insurance required under this Mortgage, (vii) maintain any and all rights, licenses, permits, privileges, franchises or concessions, whether public or private, which are or become applicable to the Premises or which are granted to Mortgagor in connection with any existing or planned improvement or use of the Premises, (viii) not erect, demolish, remove or alter any improvement on the Real Estate except as may be required by law or as may be necessary for any repairs or replacements expressly required under this Mortgage without the written consent of Mortgagee and except for such repairs and improvements as take place in the ordinary course of business, do not diminish the value of the Premises and cost less than \$20,000.00 provided that such repairs and improvements costing in excess of \$20,000.00 may be made upon receipt of written approval of Mortgagee, which approval shall be deemed to have been given 15 days after written notice of such proposed action has been delivered to Mortgagee, (ix) not remove, sever, sell or mortgage any fixtures or personal property of Mortgagor on the Real Estate except as may be required by law or in the ordinary course of business, without the prior written consent of Mortgagee, (x) not permit, suffer or commit any waste, impairment or deterioration of the Premises or any part thereof, not permit or conduct either the generation, treatment, storage or disposal of hazardous waste, as defined in the Resource Conservation and Recovery Act ("RCRA"), or the disposal on the Premises of petroleum or any hazardous substance, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), and shall perform all remedial actions necessary as the result of the presence of any such hazardous wastes, petroleum or hazardous substances on, at or near the Premises, regardless of by whom caused, (xi) not abandon or vacate the Premises or suffer or permit the Premises to be abandoned, (xii) not use or suffer or permit the use of the Premises for a purpose other than that for which it is used on the date of this Mortgage except as may be required by law without the prior written consent of Mortgagee, (xiii) not cause, suffer or permit the Premises to be or become subject to any covenants or restrictions not existing on the date of this Mortgage or initiate, suffer or permit any change in any existing covenant, restriction, zoning ordinance or other private or public restriction impacting upon the uses which may be made of, or the improvements which may be placed upon, the Premises and shall promptly notify Mortgagee of and appear in and defend, at its sole cost and expense, any proceeding to impose or change any such covenants and restrictions, (xiv) not subdivide the Premises or subject the Premises to the provisions of the condominium laws of the state in which the Premises are located, and (xv) not permit or conduct either the generation, treatment, storage or disposal on the Real Estate of "hazardous materials" as defined in the Hazardous Materials Transportation Act, 49 U.S.C. § 1802, et seq., any chemical

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substance or mixture regulated under the Toxic Substance Control Act of 1976, as amended, 15 U.S.C. § 2601 et seq., any "toxic pollutant" as defined in the Clean Water Act, 33 U.S.C. § 1251 et seq., as amended, any "hazardous air pollutant" as defined in the Clean Air Act, 42 U.S.C. § 7401 et seq., and any hazardous or toxic substance or pollutant regulated under any other current or future applicable federal, state or local environmental laws.

6. Liens and Encumbrances. Mortgagor shall keep the Premises free and clear of liens by mechanics and materialmen and free and clear of all other liens, charges and encumbrances excepting, however, any lien or encumbrance consented to in writing by Mortgagee, excepting the lien of real estate taxes not yet due and payable and excepting any liens and encumbrances arising out of any indebtedness of Mortgagor which indebtedness Mortgagor chooses to contest pursuant to this Paragraph. Mortgagor shall promptly pay and discharge any lien or encumbrance attaching to the Premises and not permitted under this Paragraph promptly after receiving notice thereof and shall pay when due any indebtedness or other charge secured by any lien or encumbrance permitted under this Paragraph; provided, however, that Mortgagor may contest the same in good faith and with reasonable diligence upon notice to Mortgagee and, if reasonably requested by Mortgagee, delivery to Mortgagee of security therefor which is reasonably satisfactory to Mortgagee. Mortgagor shall observe and perform all covenants and obligations required to be observed or performed by Mortgagor under any document creating or evidencing any lien or encumbrance permitted by this Paragraph and any failure of Mortgagor to observe or perform any such covenant or obligation shall be a default by Mortgagor under this Mortgage, provided that Mortgagor shall have the right to contest as set forth above. Upon request by Mortgagee, Mortgagor shall deliver to Mortgagee satisfactory evidence of any payment or payments required under this Paragraph.

7. Transfer of Ownership. If, without the prior written consent of Mortgagee, there shall occur or Mortgagor shall make or permit or contract to make or permit, whether voluntary, involuntary, by operation of law or otherwise, any sale, assignment, transfer, or encumbrance or any lease of the Premises (which lease is not in the ordinary course of business) or any portion thereof or interest therein or any interest in or under any trust or other entity which holds title to the Premises, an Event of Default shall have occurred and Mortgagee, at its option and upon notice to Mortgagor, may declare all indebtedness secured by this Mortgage immediately due and payable and, in the absence of prompt payment thereof by Mortgagor, may pursue any and all rights and remedies available to Mortgagee under this Mortgage in the event of a default by Mortgagor. In the event of any transfer of the Premises, or any portion thereof or interest therein or any interest in or under any trust or other entity which holds title to the Premises requiring the consent of the Mortgagee under this Paragraph, Mortgagor shall request such consent from Mortgagee in

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writing and shall provide to Mortgagee such supporting documentation concerning the transfer as Mortgagee may request. The consent may be denied by the Mortgagee at its sole discretion. In the event Mortgagee does not respond to Mortgagor within forty-five (45) days of the receipt of the written request from Mortgagor and all supporting documentation requested by Mortgagee, Mortgagee shall be deemed to have consented to such transfer; provided, however, that Mortgagee shall not be prevented from exercising its rights under this Paragraph at any time in the event Mortgagor fails to notify and request the consent of Mortgagee as provided in this Paragraph.

8. Additional Taxes. If, at any time, the federal or any state or local government, or any of their subdivisions, shall levy, assess or impose any documentary, interest equalization or other tax, assessment or charge on this Mortgage or on the indebtedness secured by this Mortgage, or shall impose upon Mortgagee any tax, assessment, charge or lien required, on the date of this Mortgage, to be paid by Mortgagor (either by deducting from the value of the Premises, or any part thereof, for the purposes of taxation any lien or encumbrance thereon or changing in any way the laws relating to the taxation of Mortgagor's interest in the Premises), Mortgagor shall, upon demand by Mortgagee, promptly pay or reimburse Mortgagee for the payment of such tax, assessment, charge or lien and deliver evidence of such payment to Mortgagee; provided, however, that if in the opinion of counsel for Mortgagee (i) it might be unlawful to require Mortgagor to make such payment or (ii) the making of such payment shall be deemed to be the payment of interest beyond the maximum amount permitted by law, then at the option of Mortgagee and upon notice to Mortgagor, Mortgagee may declare all indebtedness secured by this Mortgage immediately due and payable and, in the absence of immediate payment thereof by Mortgagor, Mortgagee may pursue any and all rights and remedies available to Mortgagee under this Mortgage in the event of a default by Mortgagor. Notwithstanding the foregoing, Mortgagor shall not be obligated to pay any portion of Mortgagee's federal, state or local income tax or any other tax based upon the net income of Mortgagee.

9. Mortgagee's Performance of Defaulted Acts. In the event of a default by Mortgagor of its obligations under this Mortgage, Mortgagee may, but need not, make any payment or perform any act required of Mortgagor under the Mortgagor's Note or under this Mortgage in any form and in any manner deemed expedient by Mortgagee. By way of illustration and not in limitation of the foregoing, Mortgagee may, but need not, make full or partial payment or payments of principal or interest on prior encumbrances, if any, purchase, discharge, compromise or settle any tax lien or other prior or junior lien, claim, title or other charge, redeem from any tax sale or forfeiture affecting the Premises or contest any tax or assessment. All monies paid for any purpose authorized in this Paragraph and all expenses paid or incurred in connection

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therewith, including attorneys' fees, and any other monies advanced by Mortgagee to protect the Premises and the lien hereof plus reasonable compensation to Mortgagee for each matter concerning which action herein authorized is taken, shall be additional indebtedness secured by this Mortgage and shall be immediately due and payable by Mortgagor to Mortgagee without notice and with interest thereon at the rate applicable under the Promissory Note after an Event of Default thereunder. Inaction by Mortgagee shall never be considered as a waiver of any right accruing to Mortgagee under this Paragraph on account of any default of Mortgagor under this Mortgage.

10. Eminent Domain. Mortgagor shall give Mortgagee immediate notice of any actual or threatened commencement of any condemnation or eminent domain proceeding affecting all or any portion of the Premises, including any proceeding for severance or consequential damages and any proceeding to change the grade of any street abutting the Premises, and shall deliver to Mortgagee copies of any and all papers and reports served upon or received by Mortgagor in connection with any such proceeding. Mortgagor hereby authorizes Mortgagee to intervene in any such proceeding and to collect and receive any and all awards and other compensation to be paid to Mortgagor under or as a result of any such proceeding. Mortgagor shall execute and deliver to Mortgagee, at any time or times upon request, free and clear of any claim or encumbrance, any and all agreements and instruments reasonably deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning to Mortgagee all awards and other compensation to be made to Mortgagor under or as a result of any such proceeding. The proceeds of any award or other compensation paid to Mortgagee may be applied by Mortgagor, at its option after the payment of all of Mortgagee's expenses in connection with such proceeding, including reasonable costs and attorneys' fees, to the reduction of the indebtedness secured by this Mortgage or to the restoration of the improvements on the Real Estate, in which event the proceeds shall be paid out in the same manner and subject to the same requirements as are applicable to the payment of insurance proceeds. Interest shall be paid to Mortgagor on any award or other compensation paid to or held by Mortgagee, provided that no Event of Default exists at such time.

11. Acknowledgement of Debt. Mortgagor shall execute and deliver to Mortgagee, from time to time upon request by Mortgagee, a written statement, duly acknowledged, verifying the total unpaid indebtedness secured by this Mortgage and disclosing whether any alleged offsets or defenses exist against such indebtedness.

12. Rents and Leases.

(a) Approval of Leases. Mortgagee shall have the right to approve any leases which lease has a term, including options, in excess of 24 months covering space in the Premises, affecting any

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improvements on the Real Estate and any ground lease, including the form and content of each such lease and the tenant or tenants thereunder, and, without limiting the generality of the foregoing, Mortgagor shall not, without Mortgagee's prior written consent, (i) enter into any lease or permit any tenancy of all or any portion of the Premises which is not in the ordinary course of business, (ii) execute an assignment or pledge of any rents from the Premises or of any lease or tenancy of all or any portion of the Premises (except as security for the indebtedness secured by this Mortgage), (iii) accept any installment of rent more than thirty (30) days before the due date of any such installment, (iv) agree to any amendment to or change in the terms of any lease or tenancy previously approved by Mortgagee, or (v) permit or consent to any assignment of any lease or tenancy or any sublease of any lease or tenancy of all or any portion of the Premises.

(b) Obligations of Mortgagor. Mortgagor shall (i) at all times promptly and faithfully keep and perform all of the covenants, conditions and agreements on the part of landlord to be kept and performed under all leases and tenancies covering the Premises, (ii) enforce or secure the performance of all of the covenants, conditions and agreements on the part of the tenants to be kept and performed under such leases and tenancies, (iii) appear in and defend any action or proceeding arising out of or in any manner connected with such leases and tenancies or the rights and obligations of landlord or tenants thereunder, (iv) execute and deliver to Mortgagee, upon request, any and all documents and instruments deemed necessary by Mortgagee to transfer and assign to Mortgagee for collateral purposes any lease and all rents and rights thereunder and under any tenancy covering all or any portion of the Premises, (v) furnish to Mortgagee, upon written request, a written statement containing the names of all lessees and the terms of all leases and tenancies including the spaces occupied and the rentals payable thereunder, and (vi) exercise, within five (5) days of any demand therefor by Mortgagee, any right to request from any tenant under any lease a certificate with respect to the status thereof in a form set forth under the applicable lease and otherwise as requested by Mortgagee.

(c) Exoneration of Mortgagee. Nothing in this Mortgage or in any other document relating to the indebtedness secured by this Mortgage shall be construed to obligate Mortgagee, expressly or by implication, to keep or perform any of the covenants and agreements on the part of the landlord to be kept and performed under leases and tenancies covering all or any portion of the Premises or to pay any sum of money or damages to be paid by the landlord or landlord's assignee under such leases and tenancies, all of which covenants, agreements and payments shall be kept, performed and paid by Mortgagor.

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(d) Attornment. In the event of a default by Mortgagor and enforcement by Mortgagee of the remedies provided by law or by this Mortgage, the tenant under each lease and tenancy covering all or any portion of the Premises shall, at the option of Mortgagee and upon delivery of a notice from Mortgagee to such tenant, attorn to any person succeeding to the interest of Mortgagor as a result of such enforcement and shall recognize such successor in interest as landlord under such lease or tenancy without any change in the terms or other provisions thereof; provided, however, that said successor-in-interest shall not be bound by any payments made or deemed to have been made by any tenant more than thirty (30) days in advance of the due date of any such payments or by any amendment or modification to any lease or tenancy made without the prior consent of Mortgagee or said successor-in-interest. Each tenant, upon request by Mortgagee or any such successor-in-interest, if required by their lease or if the tenant shall so elect, shall execute and deliver an instrument or instruments confirming such attornment and Mortgagor shall cause each lease covering all or any portion of the Premises to contain a covenant on the part of the tenant evidencing its agreement to such attornment.

(e) Assignment of Rents. Mortgagor hereby grants, transfers and assigns unto Mortgagee all the right, title and interest of Mortgagor in and to all of the easements, rents, issues, profits, revenues, royalties, rights and benefits (herein collectively referred to as "Rents") of and from the Real Estate, and to that end, Mortgagor hereby transfers and assigns unto Mortgagee all leases of all or part of the Real Estate now existing or hereafter made, executed or delivered, whether oral or written, together with any and all renewals, extensions and modifications thereof and any guaranties of the lessee's obligations under any thereof (all of said leases, together with all such guaranties, modifications and extensions, being hereinafter collectively referred to as the "Leases"). Mortgagor hereby authorizes and empowers Mortgagee to collect any and all Rents as they become due and to take such measures, legal or equitable, as may be necessary to enforce collection, and hereby directs each and all of the lessees of the Real Estate, or any part thereof, to pay any such Rents as may now be due or shall hereafter become due to Mortgagee upon demand by Mortgagee. It is understood and agreed, however, that no such demand shall be made unless and until there is an Event of Default under this Mortgage. Lessees shall pay the Rents to Mortgagee upon such demand without further inquiry, and payment to Mortgagee shall be a full defense by any such lessee to any claim for the Rents by Mortgagor, regardless of any defense or counterclaim Mortgagor might have against Mortgagee. Until such demand is made, Mortgagor is authorized to collect the Rents; provided, however, Mortgagor shall not collect any Rents more than one month in advance without the written consent of Mortgagee.

13. Security Agreement. This Mortgage shall also constitute a Security Agreement, as that term is used in the Uniform

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Commercial Code ("Code") of the state in which the Premises are located, with respect to any portion of the Premises which is now or hereafter deemed to be personal property, fixtures or property other than real estate and all replacements, additions and substitutions thereto (collectively referred to herein as the "UCC Collateral"). All of Mortgagor's right, title and interest in and to the UCC Collateral is hereby assigned to Mortgagee to secure the payment of the indebtedness secured by and the performance of the obligations contained in this Mortgage. Mortgagee shall have, in addition to the rights and remedies granted to Mortgagee under this Mortgage, all of the rights and remedies of a secured party under the Code with respect to the UCC Collateral and Mortgagor hereby agrees that in the event Mortgagee shall exercise any right or remedy under the Code following a default by Mortgagor under this Mortgage, whether to dispose of the Collateral or otherwise, ten (10) days notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the Code requiring such notice. Mortgagor shall, immediately upon request by Mortgagee, execute and deliver to Mortgagee, in a form prescribed by Mortgagee, any financing statement, continuation statement, certificate or other document covering all or any portion of the UCC Collateral designated by Mortgagee that, in the opinion of Mortgagee, may be required to perfect, continue, affirm or otherwise maintain the existence and priority of the security interest in the UCC Collateral created under this Mortgage. Mortgagor, if requested by Mortgagee, shall also execute and deliver to Mortgagee a Security Agreement covering the UCC Collateral and containing such covenants, conditions and agreements in addition or as a supplement to those contained in this Mortgage as may be requested by Mortgagee.

14. Inspection of Premises. Mortgagor hereby grants to Mortgagee, by its representatives and its agents, and upon such notice as is reasonable under the circumstances, the right to inspect the Premises and the books and records related thereto and shall permit access thereto for such purpose at such reasonable times and as often as Mortgagee desires, provided that Mortgagee shall attempt to minimize the inconvenience to the lessee of the Premises caused by such inspection.

15. Future Advances. If, at any time prior to the payment in full of the indebtedness secured by this Mortgage, Mortgagee shall advance additional funds to or for the benefit of any of the Debtors, such advance together with applicable interest thereon shall be secured by this Mortgage in accordance with all covenants, conditions and agreements herein contained and, to the extent permitted by law, shall be on a parity with and not subordinate to the indebtedness evidenced by the Promissory Note. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but all indebtedness secured hereby shall, in no event, exceed \$400,000.00.

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16. Indemnification and Reimbursement of Expenses. Mortgagor shall reimburse Mortgagee for all of its reasonable costs and expenses, including attorneys' fees, which are paid by Mortgagee in connection with the preparation, review, execution, delivery, amendment, modification, administration, recording, filing, examinations of title to the Premises or any other items that may be required by Mortgagee in connection with the Loan Documents and the transactions contemplated hereby and thereby. Mortgagor shall hold harmless and indemnify Mortgagee from and against any loss, cost, damage or expense, or claims therefor, including attorneys' fees, arising out of any suit or proceeding or threat thereof in which Mortgagee is made a party or becomes involved (a) because of any damage or destruction to persons or property on or about the Premises, (b) because of the violation or enforcement of any law, ordinance, private right or restriction applicable to the Premises or the operation thereof or (c) to protect the lien or priority of this Mortgage and any loss, cost, damage or expense, or claim therefor, so incurred or incurred by Mortgagee in connection with (i) protecting or enforcing any of Mortgagee's rights under this Mortgage or (ii) recovering any indebtedness secured by this Mortgage and shall be immediately due and payable by Mortgagor to Mortgagee without notice and with interest thereon at the rate applicable under the Promissory Note after an Event of Default thereunder.

17. Remedies on Default.

(a) Events of Default. The occurrence of any of the following events shall constitute an Event of Default under this Mortgage:

(1) Any failure by the obligor thereon to pay in full when due any of the Indebtedness within fifteen (15) days following written notice that the payment is past due or to observe or perform any other covenant, agreement or condition under, contained in or referred to in the Mortgage or in any of the Loan Documents in accordance with the terms hereof or thereof within thirty (30) days after delivery of written notice of such failure provided, however, if the cure of such default cannot be reasonably completed within 30 days and Mortgagor is diligently pursuing the cure, such cure period shall be extended to the time necessary to cure such default but in no event shall such time be extended for a period of more than 45 days following said 30 day period;

(2) An Event of Default pursuant to Paragraph 7 of this Mortgage shall occur and be continuing, without a period of grace of any kind;

(3) Any material misrepresentation, breach or inaccuracy in any representation or warranty contained in this Mortgage or in any of the Loan Documents;

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(4) Any material misrepresentation made by Mortgagor in this Mortgage or in any document furnished by Mortgagor to Mortgagee in connection with the Mortgage;

(5) Any "default" or "Event of Default", after the expiration of applicable grace or cure periods, under:

- i. any of the Loan Documents;
- ii. the Promissory Note;
- iii. any guaranty executed in favor of Mortgagee (the makers or the parties executing any of such documents described in this Paragraph 17, including the guarantor(s), are referred to herein as the "Debtors"); or
- iv. any other security document, guaranty, agreement or other document executed by any of the Debtors to or in favor of Mortgagee;

(6) Any material uninsured loss, theft, damage to or destruction of the Premises;

(7) Any of the Debtors or Mortgagor becomes insolvent, admits in writing its inability to pay its debts as they become due, makes an assignment for the benefit of creditors, applies for or consents to the appointment of a receiver, trustee or custodian for any of its assets or files a petition for relief under or files an answer admitting the material allegations of a petition filed against it under any federal or state bankruptcy law or similar law for the relief of debtors which is not released within 30 days; or

(8) A petition in bankruptcy or other insolvency proceeding is filed against any of the Debtors or Mortgagor or any guarantor of the indebtedness secured by this Mortgage or an order is entered by any court of competent jurisdiction appointing a receiver, trustee or custodian for the assets of any of the Debtors or Mortgagor or any guarantor of the indebtedness secured by this Mortgage and such petition, proceeding or order is not dismissed, vacated or stayed within sixty (60) days from the date of filing or entry.

(b) Remedies. Without limiting other rights granted to Mortgagee under this Mortgage, upon the occurrence of an Event of Default under this Mortgage, Mortgagee may, at its option, (i) declare the entire indebtedness secured by this Mortgage to be immediately due and payable without notice, demand or presentment (each of which is hereby expressly waived by Mortgagor) whereupon the same shall become immediately due and payable, (ii) institute

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proceedings for the complete foreclosure of this Mortgage, (iii) institute proceedings to collect any delinquent installment or installments of the indebtedness secured by this Mortgage without accelerating the due date of the entire indebtedness by proceeding with foreclosure of this Mortgage with respect to any delinquent installment or installments of such indebtedness only and any sale of the Premises under such a foreclosure proceeding shall be subject to and shall not affect the unmatured part of the indebtedness and this Mortgage shall be and continue as a lien on the Premises securing the unmatured indebtedness, (iv) institute proceedings in equity or at law for the specific performance of any covenant, agreement or condition in this Mortgage or in aid of the execution of any power granted in this Mortgage or (v) take such other action as may be permitted under the laws of the state in which the Premises are located.

(c) Expense of Litigation. In any suit to foreclose the lien of this Mortgage there shall be allowed and included, as additional indebtedness in the judgment or decree of foreclosure, all reasonable expenditures and reasonable expenses (which may be estimated as to items to be expended after entry of the judgment or decree) which may be paid or incurred by or on behalf of Mortgagee for court costs and attorneys' fees and for appraisers' fees, fees for documentary and expert evidence, stenographer's fees, publication costs, survey costs and costs of procuring all abstracts of title, title examinations, title insurance policies, Torrens certificates and other similar data and assurances with respect to title as Mortgagee may deem necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such judgment or decree of foreclosure the true condition of the title to or value of the Premises.

(d) Right of Possession. Upon the occurrence of an Event of Default and to the extent permitted by law Mortgagee, at its option, shall have the right, personally or by its agents or attorneys, to enter upon and to take and maintain possession of all or any portion of the Premises and to take and maintain possession of all documents, books, records, papers and accounts of Mortgagor or the then manager of the Premises relating thereto and may exclude Mortgagor, its agents or servants, wholly therefrom and may, personally or by its agents or attorneys as agent of Mortgagor or in its own name as Mortgagee and under the powers herein granted possess, operate, manage and control the Premises and conduct any business thereon with full power to (i) collect all rents, issues and profits from the Premises, (ii) take such action, legal or equitable, as may, in its discretion, be necessary or desirable to protect or enforce the payment of the rents, issues and profits from the Premises, including instituting actions for recovery of rent, actions in forcible detainer and actions in distress for rent, (iii) cancel or terminate any tenancy, lease or sublease for any cause or reason which would entitle Mortgagor to cancel such tenancy, lease or sublease, (iv) elect to disaffirm any

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tenancy, lease or sublease made subsequent to this Mortgage or subordinated to the lien of this Mortgage, (v) extend or modify any then existing lease or tenancy and make new leases, which extensions, modifications and new leases may provide for terms or options for terms to expire beyond the maturity date of the indebtedness secured by this Mortgage, it being understood and agreed that any such leases and the options and other provisions contained therein shall be binding upon Mortgagor, upon all persons whose interests in the Premises are subject to the lien of this Mortgage and upon any purchaser or purchasers at any foreclosure sale notwithstanding any redemption from sale, discharge of the indebtedness secured by this Mortgage, satisfaction of any foreclosure decree or issuance of any certificate of sale or deed to any purchaser or purchasers at any foreclosure sale, (vi) make all repairs, decorations, renewals, replacements, alterations, and improvements to the Premises as Mortgagee may deem reasonably necessary, (vii) insure and reinsure the Premises and all risks incident to the possession, operation, management and control of the Premises by Mortgagee, and (viii) take such other action for the possession, operation, management and control of the Premises as Mortgagee may deem reasonably necessary.

(e) Application of Rental Proceeds. Any rents, issues and profits from the Premises received by Mortgagee, after taking possession of the Premises or pursuant to any assignment thereof to Mortgagee under the provisions of this Mortgage or any separate Assignment of Rents or Assignment of Leases, shall be distributed and applied to or on account of the following, in such order of priority as Mortgagee (or, in the case of a receivership, as the court) may determine: (i) the payment of any expenses incurred in the possession, operation, management and control of the Premises, including compensation to Mortgagee or any receiver that may be appointed and the fees of any managing agent (if management of the Premises is delegated to such agent) and including lease commissions and other expenses of procuring tenants and entering into leases for the Premises, (ii) the payment of taxes, special assessments, water and sewer charges and other charges on the Premises now due or which may become due or which may be or become a lien prior to the lien of this Mortgage, (iii) the payment of any expenses incurred for any repairs, decorations, renewals, replacements, alterations, and improvements to the Premises or the operation thereof, (iv) the payment of any indebtedness secured by this Mortgage, the payment of any amount set forth in any judgment or decree of foreclosure and the payment of any deficiency which may result from any foreclosure sale or (v) with respect to any remaining funds, to the Mortgagor, its successors or assigns, as their rights may appear.

(f) Appointment of Receiver. Upon or at any time after the filing of any complaint to foreclose this Mortgage, the court in which such foreclosure is filed may, upon application by Mortgagee, appoint a receiver of the Premises (which may be Mortgagee) and

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Mortgagor hereby consents to such appointment. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency, at the time of the application for such receiver, of any party liable for the payment of the indebtedness secured by this Mortgage, without regard to the then value of the Premises or whether the Premises are then occupied as a homestead or not and without the posting of any bond being required of the applicant. Such receiver shall have the power to take possession of and to operate, manage and control the Premises, to collect and receive all rents, issues and profits from the Premises during the pendency of such foreclosure suit and, in the case of a sale and a deficiency, during the full statutory period of redemption, if any, as well as during any further times when Mortgagor, its successors or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits and to exercise all other powers which may be necessary or desirable for the protection, possession, operation, management and control of the Premises during the whole of the aforesaid period. To the extent permitted by law, such receiver may be authorized by the court to (i) cancel or terminate any tenancy, lease or sublease for any cause or reason which would entitle Mortgagor to cancel such tenancy, lease or sublease, (ii) elect to disaffirm any tenancy, lease or sublease made subsequent to this Mortgage or subordinated to the lien of this Mortgage, and (iii) extend or modify any then existing leases and tenancies and to make new leases, which extensions, modifications and new leases may provide for terms or options for terms to expire beyond the maturity date of the indebtedness secured by this Mortgage, it being understood and agreed that any such leases and the options and other provisions contained therein shall be binding upon Mortgagor, upon all persons whose interests in the Premises are subject to the lien of this Mortgage and upon any purchaser or purchasers at any foreclosure sale notwithstanding any redemption from sale, discharge of the indebtedness secured by this Mortgage, satisfaction of any foreclosure decree or issuance of any certificate of sale or deed to any purchaser or purchasers at any foreclosure sale.

(g) Sale of Premises. To the extent permitted by law all or any portion of the Premises or any interest or estate therein to be sold pursuant to any judgment or decree of foreclosure obtained pursuant to this Mortgage shall be sold as a single parcel or as multiple parcels in such manner or order as Mortgagee, in its discretion, may elect. At any foreclosure sale of all or any portion of the Premises, Mortgagee may bid for and acquire, as purchaser, the Premises or any portion thereof being sold and, in lieu of paying cash therefor, may credit against the indebtedness secured by this Mortgage and the amount set forth in the judgment or deed of foreclosure, the amount bid by Mortgagee at such foreclosure sale.

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(h) Application of Foreclosure Proceeds. The proceeds from any foreclosure sale of all or any portion of the Premises shall be distributed and applied in the following order of priority: (i) on account of all reasonable costs and expenses incident to any such foreclosure proceedings, (ii) on account of all items (other than principal and interest remaining unpaid under the Promissory Note) which, under the terms of this Mortgage, constitute indebtedness secured by this Mortgage, together with interest thereon (unless otherwise included in the indebtedness) at the rate applicable under the Promissory Note after an Event of Default thereunder, (iii) on account of all principal and interest remaining unpaid under the Promissory Note, and (iv) the excess, if any, to Mortgagor, its successors or assigns, as their rights may appear.

(i) Application of Deposits. Mortgagee shall have the right, but not the obligation, upon the occurrence of an Event of Default, to apply any deposit held by Mortgagee or by any depository pursuant to any provisions of this Mortgage to the payment of any indebtedness secured by this Mortgage in such order and manner as Mortgagee may elect.

(j) Waiver of Statutory Rights. Mortgagor agrees that it shall not apply for or avail itself of and hereby waives the benefit of, for itself and all who may claim through or under it, any appraisement, valuation, stay, moratorium, extension or exemption laws, whether existing on the date of this Mortgage or hereafter enacted, in any enforcement or foreclosure of this Mortgage. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the Premises or any portion thereof marshalled upon any foreclosure of this Mortgage and Mortgagor agrees that any court having jurisdiction to foreclose this Mortgage may order the Premises sold as an entirety. Mortgagor does hereby waive any and all rights of redemption from sale under any judgment or decree of foreclosure of this Mortgage on behalf of itself and each and every person, except judgment creditors of the Mortgagor, acquiring any interest in or title to the Premises subsequent to the date of this Mortgage.

(k) Waiver of Defenses. No action for the enforcement or foreclosure of this Mortgage shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Promissory Note.

(l) Partial Payments. Acceptance by Mortgagee of any payment which is less than payment in full of all amounts due and payable at the time such payment is made shall not constitute a waiver of Mortgagee's right to declare the entire indebtedness secured by this Mortgage to be immediately due and payable without notice, demand or presentment or to exercise any other right or remedy of Mortgagee under this Mortgage at that time or at any subsequent

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time nor shall such acceptance nullify any prior exercise by Mortgagee of any right or remedy under this Mortgage without the express written consent of Mortgagee.

(m) Rescission of Acceleration. Mortgagee shall have the right to rescind any acceleration of the indebtedness secured by this Mortgage and the right to discharge or dismiss any proceedings brought to enforce any right or remedy of Mortgagee under this Mortgage and, in the event Mortgagee elects to exercise either of such rights, the obligations of Mortgagor and the rights and remedies of Mortgagee shall continue as if such acceleration had not been made or such proceedings had not been commenced.

18. Remedies Cumulative and Concurrent. The rights and remedies of Mortgagee as provided in this Mortgage shall not be exclusive of, but shall be in addition to, any right or remedy now or hereafter existing at law or in equity and all such rights and remedies may be exercised together, independently or in any combination and when and as often as Mortgagee shall elect.

19. Subrogation. In the event that any portion of the proceeds of the indebtedness secured by this Mortgage are used, directly or indirectly, to pay off, discharge or satisfy, in whole or in part, any prior lien or encumbrance on the Premises, or any part thereof, then Mortgagee shall be subrogated to the rights of the creditor under such other lien or encumbrance and shall have the benefit of the priority of such other lien or encumbrance.

20. Purpose of Loan. Mortgagor represents and agrees that the proceeds of the Promissory Note and any future advances made by Mortgagee to Mortgagor or to any of the Debtors will be used for "business purposes" or as a "business loan" as that term is defined in Section 6404(1)(c) of Chapter 17 of the Illinois Revised Statutes or are loans secured by a mortgage on real estate, as that term is defined in Section 6404(1)(1) thereof. Mortgagor covenants and agrees that it shall constitute a default hereunder if any of the proceeds of the loan evidenced by the Promissory Note will be used, or were used, as the case may be, for the purpose (whether immediate, incidental or ultimate) of "purchasing" or "carrying" any "margin security" as such terms are defined in Regulation G (12 CFR Part 207) of the Board of Governors of the Federal Reserve System or for the purpose of reducing or retiring any indebtedness which was originally incurred for such purpose.

21. Partial Release. Mortgagee may, at any time and from time to time, with or without consideration, release any portion of the Premises from the lien of this Mortgage, release any person liable for any indebtedness secured by this Mortgage or extend the time for payment of all or any portion of the indebtedness secured by this Mortgage without in any way affecting the lien of this Mortgage or the priority thereof (except as specifically set forth in such release) and without in any way affecting the obligations

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of any party liable for the indebtedness secured by this Mortgage (except as specifically set forth in such release or extension).

22. Environmental Matters. Mortgagor shall be liable for and shall hold harmless and indemnify Mortgagee from and against any loss, damage or liability suffered by the Mortgagee due to claims against it by governmental enforcement agencies or third parties based on the presence of any hazardous waste as defined in RCRA ("Hazardous Waste"), petroleum or hazardous substance as defined in CERCLA ("Hazardous Substance") or any of the hazardous, toxic or regulated substances as set forth in Paragraph 5 hereof at, on, or near the Premises, and Mortgagor shall be liable for compliance (and for all costs associated therewith) with any directive or order by any governmental entity relating to the presence of any such Hazardous Waste, petroleum or Hazardous Substance at, on, or near the Premises regardless of by whom caused. Mortgagor shall deliver promptly to Mortgagee (i) copies of any documents received from the United States Environmental Protection Agency or from any state, county or municipal environmental or health agency concerning the Mortgagor's operations upon the Premises and (ii) copies of any documents submitted to the United States Environmental Protection Agency or to any state, county or municipal environmental or health agency concerning Mortgagor's operations on the Premises.

23. Excess Interest. If it is determined that Mortgagor shall have paid or there shall have accrued interest on the indebtedness secured by this Mortgage in an amount in excess of that permitted by law, such excess shall, to the extent required by law and otherwise at the option of Mortgagee, either be applied to reduce the unpaid indebtedness secured by this Mortgage or be refunded to Mortgagor.

24. Covenants of Title. The Mortgagor, to the best of his knowledge and belief, is well and lawfully seized of the Premises with a good and indefeasible estate in fee simple and has all rights and full power to mortgage, sell and convey the same. The Mortgagor shall make any further assurances of title that the Mortgagee may require and will warrant and defend said Premises against all claims and demands whatsoever.

25. Tax and Insurance Escrow. On or before the first day of each month during the term hereof, Mortgagor shall, if requested by the Mortgagee, deposit with the Mortgagee in a non-interest bearing account an amount equal to 1/12th of the greater of: (i) the premium for the preceding year's insurance described in Paragraph 3 hereof and/or the preceding year's real estate taxes affecting the Premises; or, (ii) such insurance and/or real estate tax expenses estimated by the Mortgagee for the then current year.

26. Waiver. Any delay in the exercise of or failure to exercise any right or remedy accruing on any default under this

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Mortgage shall not impair any such right or remedy and shall not be construed to be a waiver of any such default or acquiescence" therein nor shall it affect any subsequent default of the same or of a different nature.

27. Notices. All notices, demands and other communication to be given in connection with this Mortgage shall be in writing and shall be delivered personally or sent by certified mail, return receipt requested as follows:

If to Mortgagor:

Milan Vydareny
935-937 West Leland Avenue
Chicago, Illinois 60640

If to Mortgagee:

Kenji Nomura
1937 North Lincoln Avenue
Chicago, Illinois 60614

Notices given by mail in accordance with this Paragraph shall be deemed given on the second business day after mailing. Each party, by delivering notice to the other in accordance with this Paragraph, may change the address applicable to it for purposes of this Paragraph. Nothing in this Paragraph shall be construed to require notice from Mortgagee to Mortgagor prior to taking any action permitted under this Mortgage unless specifically required by the terms of this Mortgage.

28. Successors and Assigns. This Mortgage and all provisions hereof shall extend to and be binding upon the Mortgagor, its successors and assigns, and all persons claiming under or through Mortgagor and shall inure to the benefit of Mortgagee and its successors and assigns.

29. Further Assurances. Mortgagor shall, upon the written request of Mortgagee, execute, acknowledge and deliver any additional instruments and further assurances and do or cause to be done any further acts and things as may be reasonably necessary to carry out the intent of this Mortgage.

30. Definitions. Whenever the context of any sentence of this Mortgage shall so require, the singular shall include the plural, the plural the singular and the use of any gender shall include all genders. The word "person" as used herein shall mean any natural person and any partnership, joint venture, corporation, association or other legal entity.

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31. Time is of the Essence. It is specifically agreed that time is of the essence of this Mortgage.

32. Modifications. This Mortgage may not be amended or modified except by an instrument in writing signed by the party against whom enforcement of the amendment or modification is asserted.

33. Covenants to Run with the Land. All the covenants and agreements contained in this Mortgage shall run with the land.

34. Captions. The captions and headings of the sections or subsections of this Mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions of this Mortgage.

35. Severability. If any provision of this Mortgage or the application thereof to any circumstances shall be held invalid or unenforceable, the remainder of this Mortgage and the application thereof to other circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

36. Construction. This Mortgage shall be construed and enforced in accordance with the laws of the state where the Real Estate is located.

37. Release. Upon payment in full of all Indebtedness secured by this Mortgage and the satisfaction of all obligations of Mortgagor hereunder, including the payment of any reasonable release fee charged by Mortgagee, Mortgagee shall promptly release the lien of this Mortgage and shall return or cause the return of any deposit or deposits held by Mortgagee or any depository pursuant to any provisions of this Mortgage to Mortgagor.

38. Purchase Money Mortgage. The Mortgagor hereby acknowledges and states that this document shall constitute a Purchase Money Mortgage and that the Mortgagee shall be entitled to any and all benefits as a result thereof. The Mortgagee is the beneficiary under the land trust identified as Metropolitan National Bank of Chicago, a national banking association, as Trustee under a Trust Agreement dated December 20, 1970 and known as Trust No. 19444.

39. Representations of Mortgagor. In addition to all of the other statements and representations made by the Mortgagor to the Mortgagee, the Mortgagor hereby states, represents and warrants to the Mortgagee as follows:

- a. The execution and delivery of this Mortgage and any other of the Loan Documents do not and will not violate, conflict with or constitute a breach of or

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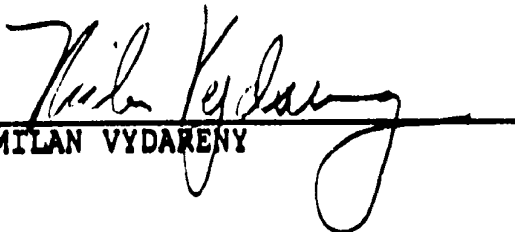
default under any mortgage, lease, judgment, court order or any other document to which the Mortgagee is a party or as otherwise bound;

- b. To the best knowledge of the Mortgagor, there is no litigation or proceedings pending or threatened against the Mortgagor which would adversely affect the obligations of the Mortgagor as herein contained;
- c. All of the financial statements, income tax returns and other documents or information provided by the Mortgagor to the Mortgagee are true and complete in all respects. The Mortgagor hereby acknowledges that all such documents and information made or provided by the Mortgagor to the Mortgagee have been materially relied upon by the Mortgagee and all such documents and information have been provided to the Mortgagor to induce the Mortgagee to provide the loan herein described and to induce the Mortgagee to convey the Premises to the Mortgagor;
- d. At no time during the preceding seven years has there been any petition filed in any bankruptcy court by the Mortgagor or any creditor of the Mortgagor wherein the Mortgagor is listed as the debtor;
- e. The Mortgagor has no knowledge, information or belief that it cannot and will not fully and completely comply and satisfy all terms and provisions contained in this Mortgage together with the payment of the remaining principal balance on or before February 1, 1993; and
- f. There have been no judgments or tax liens entered against the Mortgagee during the preceding 7 years which have not been fully satisfied and released.

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IN WITNESS WHEREOF, the undersigned has caused this Purchase Money Mortgage and Security Agreement to be signed on the day and year first above written.


MILAN VYDARENY

Property of Cook County Clerk's Office

This document was prepared by and after recording mail to:

Arnold E. Karolewski, Esq.
Chuhak & Tecson, P.C.
225 West Washington, Suite 1300
Chicago, Illinois 60606

BOX 333

2/4/0283
1/3/91

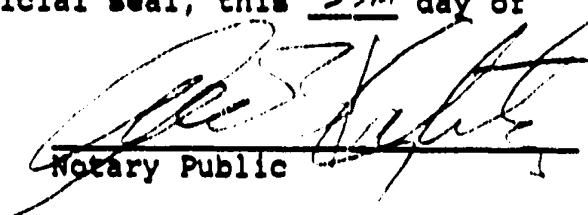
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

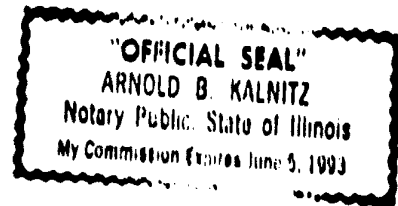
I, Arnold B. Kalnitz, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Milan Vydareny, personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person, and acknowledged that he signed, sealed and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

Given under my hand and official seal, this 23rd day of January, 1911.


Notary Public

Commission Expires:

June 5, 1913



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EXHIBIT A

LEGAL DESCRIPTION

LOT 18 IN JOHN N. YOUNG SUBDIVISION OF THE SOUTH 5 ACRES OF THE NORTH 25 ACRES OF THE EAST HALF OF THE NORTH EAST QUARTER OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known street address:

935-937 West Leland Avenue
Chicago, Illinois 60640

P.I.N.: 14-17-212-006-0000

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