

# UNOFFICIAL COPY

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## MORTGAGE

\*LaSALLE NATIONAL TRUST, N.A. Successor Trustee to  
 THIS MORTGAGE (the "Mortgage"), is made as of this 30th day  
 of November, 1992, from LaSalle National Bank, not personally but  
 as trustee under trust agreement dated March 18, 1970 and known  
 as Trust Number 40678 ("Trustee") and George A. Hall ("  
 Beneficiary") (Trustee and Beneficiary are collectively referred  
 to hereinafter as the "Mortgagor"), to NBD Elk Grove Bank, a  
 state banking association, Arlington Heights Road and Higgins  
 Road, Elk Grove Village, Illinois 60007-1453 (the "Mortgagee").

## W I T N E S S E T H:

WHEREAS, LP Gas Equipment Corporation, an Illinois  
 corporation ("Borrower") and Mortgagee have entered into a  
 certain Loan and Security Agreement (the "Loan Agreement") of  
 even date herewith providing for a loan from Mortgagee to  
 Borrower in the amount of \$1,250,000.00 (the "Loan"); and

WHEREAS, pursuant to the Loan Agreement, Borrower has  
 executed and delivered a Promissory Note (the "Note"), dated of  
 even date herewith, in the original principal amount of  
 \$1,250,000.00, to Mortgagee; and

WHEREAS, in and by which Note Borrower promises to pay said  
 principal sum (or so much thereof as may be outstanding at the  
 maturity thereof) together with interest on the balance of  
 principal from time to time outstanding and unpaid thereon at the  
 rates and at the times specified in said Promissory Note, final  
 payment of which shall be due on December 31, 1999; and

WHEREAS, Borrower leases the property which is the subject  
 of this Mortgage from Mortgagor; and

: DEPT-01 RECORDING \$81.50  
 : T#3333 TRAN 0000 12/10/92 10:37:00  
 : #1867 # C \* - 92 - 929366  
 : COOK COUNTY RECORDER

This instrument was prepared by  
 and after recording should be  
 returned to:

Permanent Index Number:

08-23-401-024

Benjamin A. Johnston  
 Pedersen & Haupt  
 180 North LaSalle Street  
 Suite 3400  
 Chicago, Illinois 60601  
 (312) 641-6888

Street Address:  
 3216 South Nordic Road  
 Arlington Heights, IL 60005

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WHEREAS, Beneficiary desires and deems it to be in his best interest that Mortgagee make the Loan to Borrower;

WHEREAS, Beneficiary is the controlling shareholder of Borrower;

WHEREAS, it is a condition of the Loan Agreement that this Mortgage be granted to Mortgagee; and

WHEREAS, both Trustee and Beneficiary deem it to be in their best interests to grant this Mortgage.

NOW, THEREFORE, in consideration of the premises and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to secure (i) the payment when and as due and payable of the principal of and interest on the Note or so much thereof as may be advanced from time to time, (ii) the payment of all other indebtedness which this Mortgage by its terms secures and (iii) the performance and observance of the covenants and agreements contained in this Mortgage, the Loan and Security Agreement, the Note and the "Other Agreements" (as defined in the Loan and Security Agreement) and any other instrument or document securing the Note (all of such indebtedness, obligations and liabilities identified in (i), (ii) and (iii) above being hereinafter referred to as the "indebtedness hereby secured"), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Mortgagor does hereby grant, sell, convey, mortgage and assign unto the Mortgagee, its successors and assigns a security interest in all the properties, rights, interests and privileges described in Granting Clauses I, II, III, IV, V and VI below all of same being collectively referred to herein as the "Premises". The documents described in (iii) above other than the Note are herein the "Security Documents":

## GRANTING CLAUSE I

That certain real estate lying and being in the County of Cook, State of Illinois, and more particularly described in Exhibit A attached hereto and made a part hereof.

## GRANTING CLAUSE II

All buildings and improvements of every kind and description heretofore or hereafter erected or placed on the property described in Granting Clause I and all materials intended for construction, reconstruction, alteration and repairs of the buildings and improvements now or hereafter erected thereon, all

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of which materials shall be deemed to be included within the premises immediately upon the delivery thereof to the said real estate, and all signs, fixtures, machinery, apparatus, equipment, fittings and articles of personal property of every kind and nature whatsoever now or hereafter attached to or contained in or used or useful in connection with said real estate and the buildings and improvements now or hereafter located thereon and the operation, maintenance and protection thereof (but excluding any of such items or any of the following items as are owned by tenants), including but not limited to all signs, machinery, motors, fittings, radiators, awnings, shades, screens, all gas, coal, steam, electric, oil and other heating, cooking, power and lighting apparatus and fixtures, all fire prevention and extinguishing equipment and apparatus and fixtures, all cooling and ventilating apparatus and systems, all plumbing, incinerating, sprinkler equipment and fixtures, all elevators and escalators, all communication and electronic monitoring equipment, all window and structural cleaning rigs and all other machinery and other equipment of every nature and fixtures and appurtenances thereto and all items of furniture, appliances, draperies, carpets, other furnishings, equipment and personal property used or useful in the operation, maintenance and protection of the said real estate and the buildings and improvements now or hereafter located thereon and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said buildings or improvements 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 real estate and for the purpose of this Mortgage to be real estate and covered by this Mortgage; and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well a Security Agreement under the provisions of the Uniform Commercial Code for the purpose of creating hereby a security interest in said property, which is hereby granted by Mortgagor as debtor to Mortgagee as secured party, securing the indebtedness hereby secured. The addresses of Mortgagor (debtor) and Mortgagee (secured party) appear in Section 29 hereof.

## GRANTING CLAUSE III

All right, title and interest of Mortgagor now owned or hereafter acquired in and to all and singular the estates, tenements, hereditaments, privileges, easements, licenses, franchises, appurtenances and royalties, mineral, oil and water rights belonging or in any way appertaining to the property described in the preceding Granting Clause I and the buildings and improvements now or hereafter located thereon and the reversions, rents, issues, revenues and profits thereof,

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including all interest of Mortgagor in all rents, issues and profits of the aforementioned property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money as advanced rent or for security) under any and all leases and renewals thereof or under any contracts or options for the sale of all or any part of, said property (including during any period allowed by law for the redemption of said property after any foreclosure or other sale), together with the right, but not the obligation, to collect, receive and receipt for all such rents and other sums and apply them to the indebtedness hereby secured and to demand, sue for and recover the same when due or payable; provided that the assignments made hereby shall not impair or diminish the obligations of Mortgagor under the provisions of such leases or other agreements nor shall such obligations be imposed upon Mortgagee. By acceptance of this Mortgage, Mortgagee agrees, that until an Event of Default (as hereinafter defined) shall occur giving Mortgagee the right to foreclose this Mortgage, Mortgagor may collect, receive (but not more than 30 days in advance) and enjoy such rents. The items described in Granting Clause III are given as an equal and primary fund with the balance of the Premises for securing the indebtedness hereby secured.

## GRANTING CLAUSE IV

All judgments, awards of damages, settlements and other compensation hereafter made resulting from condemnation proceedings or the taking of the property described in Granting Clause I or any part thereof or any building or other improvements now or at any time hereafter located thereon or any easement or other appurtenance thereto under the power of eminent domain, or any similar power or right (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for the payment thereof), whether permanent or temporary, or for any damage (whether caused by such taking or otherwise) to said property or any part thereof or the improvements thereon or any part thereof, or to any rights appurtenant thereto, including severance and consequential damage, and any award for change of grade of streets (collectively, "Condemnation Awards").

## GRANTING CLAUSE V

All property and rights, if any, which are by the express provisions of this instrument required to be subjected to the lien hereof and any additional property and rights that may from

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time to time hereafter by installation or writing of any kind, be subjected to the lien hereof.

## GRANTING CLAUSE VI

All rights in and to common areas and access roads on adjacent properties heretofore or hereafter granted to Mortgagor and any after-acquired title or reversion in and to the beds of any ways, roads, streets, avenues and alleys adjoining the property described in Granting Clause I or any part thereof.

TO HAVE AND TO HOLD the Premises and the properties, rights and privileges hereby granted, bargained, sold, conveyed, mortgaged, pledged and assigned, and in which a security interest is granted, unto Mortgagee, its successors and assigns, forever; provided, however, that this instrument is granted upon the express condition that if the principal of and interest on the Note shall be paid in full and all other indebtedness hereby secured shall be fully paid and performed, then this instrument and the estate and rights hereby granted shall cease, determine and be void and this instrument shall be released by Mortgagee upon the written request and at the expense of Mortgagor, otherwise to remain in full force and effect.

Mortgagor hereby covenants and agrees with Mortgagee as follows:

1. Covenants of Mortgagor. The Mortgagor agrees:

(i) to keep said Premises in good repair and commit no waste on the said Premises and to do nothing and to permit nothing to be done that may impair the value of the Premises or the security intended to be effected by this Mortgage;

(ii) to pay promptly, when due, all taxes and assessments, levied or assessed upon the Premises, and, in no event, to permit said Premises, or any part thereof, to be sold or forfeited for nonpayment of such taxes or assessments, and further covenants and agrees to repay forthwith, after demand, all moneys paid for any such purpose and any other moneys advanced by the Mortgagee to protect the lien of this Mortgage, with interest thereon from the date of the payment at the rate per annum equal to the default interest rate (as set forth in the Note and hereinafter referred to as the "Default Rate"), and all such moneys shall, if not otherwise repaid, become so much additional indebtedness secured by this Mortgage and be included in any decree foreclosing this Mortgage and be paid out of the rents, issues and profits of the Premises hereinbefore described, or out of the proceeds of sale of said Premises; and it shall not be obligatory upon the Mortgagee to inquire into the validity of (a) any such tax deed, taxes or assessments or of sale or of forfeitures therefor, or (b) claims of liens of mechanics or

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materialmen or other liens or claims affecting said Premises before advancing money in that behalf, as herein authorized, but nothing herein contained shall be construed as requiring the Mortgagee to advance or expend any moneys for any purpose aforesaid nor shall any such payments or advancements be construed so as to cure any default or its remedies hereunder nor in any way limit or impair the right of the Mortgagee to avail itself of such default by taking such action at law or in equity as it may deem necessary or advisable to enforce the security hereby given it;

(iii) not to permit the lien of any mechanics or materialmen or any prior or coordinate lien of any kind to attach to or to remain against the said Premises; provided, however, that Mortgagor may in good faith and with reasonable diligence contest the validity or amount of any lien and defer payment and discharge thereon during the pendency of such contest, if (a) such contest has the effect of preventing the sale or forfeiture of the Premises or any part thereof; and (b) Mortgagor shall have obtained a title insurance endorsement over such lien insuring Mortgagee against loss or damage by reason of the existence of such liens or Mortgagor shall have deposited or caused to be deposited with Mortgagee a sum of money which shall be sufficient in the reasonable judgment of Mortgagee to pay in full such liens and all interest which might become due thereon; and

(iv) to comply strictly with all of the laws, ordinances, and rulings of any municipal or other governmental department relating to said Premises.

In the event the Mortgagor shall fail to keep and perform any of the foregoing covenants and agreements or the covenants and agreements under this Section or Section 2, then the Mortgagee may, at its option, (A) pay any delinquent taxes or assessments or redeem such Premises from any tax sale or forfeiture or purchase any tax title obtained or that shall be obtained thereon; (B) pay or compromise any and all suits or claims for liens by mechanics or materialmen or any other suits or claims that may be made against said Premises, if Mortgagor shall have failed to contest and endorse over any such lien, suit or claim as provided above; (C) make repairs upon said Premises; or (D) pay insurance premiums on policies covering said Premises; and the said Mortgagor further covenants and agrees to repay forthwith, after demand, all moneys paid for any such purpose and any other moneys so advanced by the Mortgagee, with interest thereon from the date of the payment at the rate per annum equal to the Default Rate, and all such moneys shall, if not otherwise repaid, become so much additional indebtedness secured by this Mortgage and be included in any decree foreclosing this Mortgage

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and be paid out of the rents, issues and profits of the Premises hereinbefore described, or out of the proceeds of sale of said Premises; and it shall not be obligatory upon the Mortgagee to inquire into the validity of (i) any such tax deed, taxes or assessments or of sale or of forfeitures therefor, or (ii) claims of liens of mechanics or materialmen or other liens or claims affecting said Premises before advancing money in that behalf, as herein authorized, but nothing herein contained shall be construed as requiring the Mortgagee to advance or expend any moneys for any purpose aforesaid nor shall any such payments or advancements be construed so as to cure any default or its remedies hereunder nor in any way limit or impair the right of the Mortgagee to avail itself of such default by taking such action at law or in equity as it may deem necessary or advisable to enforce the security hereby given it. Mortgagee in making any payment authorized under this Section relating to taxes or assessments may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien or title or claim thereof.

## 2. Representation of Title and Further Assurances.

Mortgagor will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this instrument and, without limiting the foregoing, to make subject to the lien hereof any property agreed to be subjected hereto or covered by the Granting Clauses hereof or intended so to be. At the time of delivery of these presents, the Mortgagor is well seized of an indefeasible estate in fee simple in the portion of the Premises which constitutes real property subject only to the matters set forth in Exhibit B attached hereto and hereby made a part hereof (the "Permitted Exceptions"), and Mortgagor has good right, full power and lawful authority to convey, mortgage and create a security interest in the same, in the manner and form aforesaid; except as set forth in Exhibit B hereto, the same is free and clear of all liens, charges, easements, covenants, conditions, restrictions and encumbrances whatsoever, including as to the personal property and fixtures, security agreements, conditional sales contracts and anything of a similar nature, and the Mortgagor shall and will forever defend the title to the Premises against the claims of all persons whomsoever.

3. Payment of Taxes. Mortgagor shall pay before any penalty attaches, all general taxes and all special taxes, special assessments, water, drainage and sewer charges and all other charges, of any kind whatsoever, ordinary or extraordinary, which may be levied, assessed, imposed or charged on or against the Premises or any part thereof and which, if unpaid, might by

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law become a lien or charge upon the Premises or any part thereof, and shall exhibit to Mortgagee official receipts evidencing such payments.

4. Payment of Taxes on Note, Mortgage or Interest of Mortgagee. Mortgagor agrees that if any tax, assessment or imposition upon this Mortgage or the indebtedness hereby secured or the Note or the interest of Mortgagee in the Premises or upon Mortgagee by reason of any of the foregoing (but excepting therefrom any income tax or interest payments on the indebtedness hereby secured imposed by the United States or any state) is levied, assessed or charged, then, unless all such impositions are paid, to the extent permitted by law, upon demand of Mortgagee by Borrower to, for or on behalf of Mortgagee on or before the date such impositions become due and payable, or Mortgagee is reimbursed for any such sum advanced by Mortgagee, all sums hereby secured shall become immediately due and payable, at the option of Mortgagee, upon fifteen (15) days written notice to Mortgagor, notwithstanding anything contained herein or in any law heretofore or hereafter enacted, including any provision thereof forbidding Borrower from making any such payment. Within fifteen (15) days after the due date of every installment of taxes, assessments or other damages hereafter accruing with respect to this Mortgage, the Note or the Premises, Mortgagor shall present to Mortgagee, a photographic or other duplicated copy of the receipted tax bill showing the payment of such installment, or other evidence satisfactory to the Mortgagee that the tax payment has been made.

5. Tax and Insurance Deposits. After an Event of Default, Mortgagor covenants and agrees to deposit with Mortgagee, commencing on the date of Mortgagee's request and on the first day of each month thereafter until the indebtedness secured by this Mortgage is fully paid, a sum equal to (i) one-twelfth (1/12th) of the annual taxes and assessments (general and special) on the Premises (unless said taxes are based upon assessments which exclude the improvements thereof now constructed or to be constructed, in which event the amount of such deposits shall be based upon Mortgagee's reasonable estimate as to the amount of taxes and assessments to be levied and assessed) and (ii) one-twelfth (1/12th) of the annual premiums payable for the insurance required to be maintained in accordance with Section 8 hereof. Immediately following an Event of Default, Mortgagor shall deposit with Mortgagee an amount of money, when together with the aggregate of the monthly deposits to be made pursuant to (i) above as of one month prior to the date on which the total annual taxes and assessments for the current calendar year become due, shall be sufficient to pay in full the total annual taxes and assessments estimated by Mortgagee to become due and payable with respect to the Premises

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for the current calendar year, and an amount of money, when together with the aggregate deposits to be made pursuant to (ii) above as of one month prior to the date on which the next annual insurance premium becomes due, shall be sufficient to pay in full the total annual insurance premium estimated by Mortgagee to next become due and payable with respect to the Premises. Such deposits are to be held without any allowance of interest and are to be used for the payment of taxes and assessments (general and special) and insurance premiums, respectively, on the Premises next due and payable when they become due. Mortgagee may, at its option, itself pay such taxes, assessments and insurance premiums when the same become due and payable (upon submission of appropriate bills therefor from Mortgagor) or shall release sufficient funds to Mortgagor for payment of such taxes, assessments and insurance premiums. If the funds so deposited are insufficient to pay any such taxes, assessments (general or special) and premiums for any year when the same shall become due and payable, Mortgagor shall within ten (10) days after receipt of demand therefor, deposit additional funds as may be necessary to pay such taxes, assessments (general and special) and premiums in full. If the funds so deposited exceed the amount required to pay such taxes, assessments (general and special) and premiums for any year, the excess shall be applied on a subsequent deposit or deposits. Said deposits need not be kept separate and apart from any other funds of Mortgagee. Anything in this Section 5 to the contrary notwithstanding, if the funds so deposited are insufficient to pay any such taxes, assessments (general or special) or premiums or any installment thereof, Mortgagor will, not later than the thirtieth (30th) day prior to the last day on which the same may be paid without penalty or interest, deposit with Mortgagee the full amount of any such deficiency.

6. Mortgagee's Interest In and Use of Deposits. In the event of a default in any of the provisions contained in this Mortgage or the Note secured hereby, the Mortgagee may, at its option, without being required so to do, apply any monies at the time on deposit pursuant to Section 5 hereof, on any of Mortgagor's or Borrower's obligations herein or in the Note contained, in such order and manner as Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor. Such deposits are hereby pledged as additional security for the indebtedness hereunder and shall be irrevocably applied by Mortgagee for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor; provided, however, that Mortgagee shall not be liable for any failure to apply to the payment of taxes, assessments and insurance premiums any amount so deposited unless Mortgagor, while no Event of Default has occurred, shall have requested Mortgagee in writing to make application of such funds to the payment of which they were

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deposited, accompanied by the bills for such taxes, assessments and insurance premiums. Mortgagee shall not be liable for any act or omission taken in good faith or pursuant to the instruction of any party.

7. Recordation and Payment of Taxes and Expenses Incident Thereto. Mortgagor will cause this Mortgage, all mortgages supplemental hereto and any financing statement or other notices of a security interest required by Mortgagee at all times to be kept, recorded and filed at its own expense or Borrower's expense in such manner and in such places as may be required by law for the recording and filing or for the re-recording and refiling of a mortgage, security interest, assignment or other lien or charge upon the Premises, or any part thereof, in order fully to preserve and protect the rights of Mortgagee hereunder, and, without limiting the foregoing, Mortgagor or Borrower will pay or reimburse Mortgagee for the payment of any and all taxes, fees or other charges incurred in connection with any such recordation or re-recordation, including any documentary stamp tax or tax imposed upon the privilege of having this instrument or any instrument issued pursuant hereto recorded.

8. Insurance.

(a) Mortgagor will, at its expense, maintain or cause to be maintained the following insurance with good and responsible insurance companies satisfactory to Mortgagee:

(i) All risk broad form insurance with standard noncontributory mortgage clauses providing that any loss is to be adjusted with, and any recovery payable to the Mortgagee. All such policies shall be in such amounts, containing such coverages and insure against such risks as shall be reasonably satisfactory to the Mortgagee. Without limiting the generality of the foregoing, the improvements shall be insured to an amount equal to 100% of the full replacement value without deduction for depreciation at all times against loss or damage by fire, lightning, windstorm, explosion, theft and such other risks as are usually intended under extended coverage.

(ii) Comprehensive general liability insurance, in form and amount satisfactory to Mortgagee, insuring Mortgagor, Mortgagee and such other persons as Mortgagee may designate, as their interests may appear, against any loss or damage for personal injury, death and property damage occasioned by an accident or casualty occurring in, upon or about the Premises or the sidewalks, alleys or other property adjacent thereto;

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(iii) In the event that Mortgagor or Borrower contracts with or employs any person or persons upon the Premises, worker's compensation insurance, insuring Mortgagor or Borrower and such other persons as Mortgagee may designate, as their interests may appear, against loss or damages resulting from any accident or casualty within the purview of applicable Worker's Compensation Laws;

(iv) Any additional insurance as may be required under the Loan and Security Agreement; and

(v) Such other insurance against other insurance hazards that Mortgagee may require or which are commonly insured against in the case of similarly situated property.

(b) Policy Provisions. All insurance maintained by Mortgagor shall be maintained with good and responsible insurance companies, shall provide that no cancellation thereof shall be effective until at least thirty (30) days after receipt by the Mortgagee of written notice thereof, shall provide that losses are payable notwithstanding any acts or omissions of Mortgagor or its beneficiary, shall contain no deductible provisions and shall be satisfactory to Mortgagee in all other respects.

(c) Renewal Policies. Neither Mortgagor nor Borrower will deliver to the Mortgagee the original of any policy required under the provisions of this Section 8 (or if coverage is provided under a master policy, a photocopy of such policy and an assigned certificate of insurance) and will cause renewal policies to be delivered thereto at least fifteen (15) days prior to the expiration of any such policies.

(d) Adjustment of Loss. Mortgagor is hereby authorized to adjust and compromise any losses under any insurance required to be maintained hereunder; provided that no loss, the cost of repair of which are reasonably expected to exceed \$10,000.00, will be adjusted or compromised without Mortgagee's prior written approval.

(e) Additional Policies. Neither Mortgagor nor Borrower shall take out or maintain separate insurance concurrent in kind or form or contributing in the event of loss with any insurance required hereinabove unless Mortgagee shall be named as an additional insured. In the event of foreclosure, Mortgagor authorizes and empowers Mortgagee to effect insurance upon the Mortgaged Premises in the amounts aforesaid, for a period covering the time of redemption from foreclosure sale provided by law, and if necessary therefor, to cancel any or all existing insurance policies.

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## 9. Damage to and Destruction of the Improvements.

(a) Notice. In the case of any material damage to or destruction of any improvements which are constructed on the Premises or any part thereof, Mortgagor shall promptly give notice thereof to Mortgagee generally describing the nature and extent of such damage or destruction. Material damage shall mean damages, in the cost of repair of which, is reasonably expected to exceed \$10,000.00.

(b) Restoration. Upon the occurrence of any damage to or destruction of any improvements on the Premises, Mortgagor shall cause same to be restored, replaced or rebuilt as nearly as possible to their value, condition and character immediately prior to such damage or destruction. Such restoration, replacement or rebuilding shall be effected promptly and Mortgagor shall notify the Mortgagee if it appears that such restoration, replacement or rebuilding may unduly delay completion of such improvements. Any amounts required for repairs in excess of insurance proceeds shall be paid by Mortgagor and deposited with Mortgagee prior to the commencement of such repair.

(c) Application of Insurance Proceeds. Net insurance proceeds received by the Mortgagee under the provisions of this Mortgage or any instrument supplemental hereto or thereto or any policy or policies of insurance covering any improvements on the Premises shall be disbursed for restoration of such improvements (in which event the Mortgagee shall not be obligated to supervise restoration work nor shall the amount so released or used be deemed a payment of the indebtedness evidenced by the Note). If such net insurance proceeds are used to restore such improvements, Mortgagee may do all necessary acts to accomplish that purpose including using funds deposited by Mortgagor or Borrower with it for any purpose and advancing additional funds, all such additional funds to constitute part of the indebtedness secured by the Mortgage. Any excess of insurance proceeds above the amount necessary to complete such restoration shall be applied to payment of principal of the Loan. Net insurance proceeds shall be made available for the restoration of the portion of the Premises damaged or destroyed, only if: (i) no Event of Default, or event (an "Unmatured Default") which if uncured within any applicable cure period, would constitute an Event of Default, shall have occurred or be continuing (and if such an event shall occur during restoration Mortgagee may, at its election, apply any insurance proceeds then remaining in its hands to the reduction of the indebtedness evidenced by the Note and the other indebtedness hereby secured), (ii) if the cost of repairs exceeds \$10,000.00, Mortgagor shall have submitted to Mortgagee plans and specifications for the restoration which

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shall be satisfactory to it in Mortgagee's sole and absolute discretion, (iii) Mortgagor shall have submitted to Mortgagee fixed price contracts with good and responsible contractors and materialmen covering all work and materials necessary to complete restoration and providing for a total completion price not in excess of the amount of insurance proceeds available for restoration, or, if a deficiency shall exist, Mortgagor shall have deposited the amount of such deficiency with Mortgagee; (iv) Mortgagor shall have obtained a waiver of the right of subrogation from any insurer under such policies of insurance who at that time claim that no liability exists as to Mortgagor or the insured under such policies; (v) in Mortgagee's sole and absolute discretion, all restoration can be completed prior to the due date of the Note; (vi) no permanent lender may terminate a permanent loan commitment by reason of such casualty; and (vii) no tenants shall terminate their leases as a result of such casualty. Any such net insurance proceeds to be released pursuant to the foregoing provisions may, at the option of Mortgagee, be disbursed from time to time as restoration progresses to pay for restoration work completed and in place and such disbursements shall be disbursed in such manner as Mortgagor may determine. Mortgagee may impose such further conditions upon the release of such net insurance proceeds (including the receipt of title insurance) as are customarily imposed by prudent construction lenders to insure the completion of the restoration work free and clear of all liens or claims for lien. All necessary and reasonable title insurance charges and other costs and expenses paid to or for the account of Mortgagee in connection with the release of such insurance proceeds shall be paid by Mortgagor and until paid constitute so much additional indebtedness secured by this Mortgage to be payable upon demand and if not paid upon demand shall bear interest at the Default Rate. Mortgagee may deduct any such costs and expenses from net insurance proceeds at any time standing in its hands. Insurance proceeds held by Mortgagee shall bear interest at Mortgagee's money market rates.

## 10. Eminent Domain.

(a) Notice. Mortgagor will give Mortgagee immediate written notice of the actual or threatened commencement of any proceedings by any governmental body for the purpose of taking or otherwise affecting by condemnation, eminent domain or otherwise all or any part of the Premises or any improvements thereon, including any easement therein or appurtenance thereto or severance of any part thereof and consequential damage and change in grade of streets and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings.



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(b) Assignment of Claim, Power of Attorney to Collect, Etc. Any and all awards heretofore or hereafter made or to be made to the present and all subsequent owners of the Premises by any governmental body for taking or affecting the whole or any part of said Premises, the improvements on the Premises or any easement therein or appurtenance thereto (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the award for payment thereof) are hereby assigned by Mortgagor to Mortgagee to the extent of the existing principal balance and other outstanding charges owed by Borrower to Mortgagee and Mortgagor hereby irrevocably constitutes and appoints Mortgagee its true and lawful attorney in fact with full power of substitution for them and in their name, place and stead to collect and receive the proceeds of any such award granted by virtue of any such taking and to give proper receipts and acquittances therefor. Mortgagor shall have the right to participate in any proceedings which determine the award to be granted.

(c) Effect of Condemnation and Application of Awards. If any portion of or interest in the Premises is taken by condemnation or eminent domain, either temporarily or permanently, and the remaining portion of the Premises is not, in the reasonable judgment of Mortgagee, a complete economic unit having equivalent value to the Premises as it existed prior to the taking, then, at the option of Mortgagee, the entire indebtedness hereby secured shall immediately become due and payable. After deducting from such award for such taking, all of its expenses incurred in the collection and administration of such award, Mortgagee shall be entitled to apply the proceeds toward payment of such portion of the indebtedness hereby secured as it deems appropriate without affecting the lien of this Mortgage. In the event of any partial taking of the Premises or any interest in the Premises, which, in the judgment of Mortgagee leaves the Premises as a complete economic unit having equivalent value to the Premises as it existed prior to the taking, and provided no Event of Default has occurred and is then continuing, after deducting from such award for such taking, all of its expenses incurred in the collection and administration of such award, the award shall be applied to reimburse Mortgagor for the cost of restoration and rebuilding of the Premises in accordance with plans, specifications and the provision for disbursing net insurance proceeds described in Section 9 as if such balance of the award was net insurance proceeds.

11. Construction. Mortgagor shall not, without the prior written consent of Mortgagee, commence any construction on the Premises or make any other improvements to the Premises the

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aggregate cost of which is anticipated to be in excess of Ten Thousand and No/100ths Dollars (\$10,000.00).

12. Liens and Encumbrances. Mortgagor will not, without the prior written consent of Mortgagee, directly or indirectly, create or suffer to remain and will discharge or promptly cause to be discharged any mortgage, lien, encumbrance or charge on, pledge or conditional sale with respect to the Premises or any part thereof, whether superior or subordinate to the lien hereof, except for this instrument and the lien of Security Documents executed to secure the indebtedness hereby secured; provided, however, that Mortgagor may contest the validity of any such lien, charge or encumbrance (other than the lien of this Mortgage or of any other document securing payment of the Note) upon giving Mortgagee timely notice of its intention to contest the same and either (a) making and thereafter either maintaining with Mortgagee a deposit of cash or negotiable securities satisfactory to Mortgagee in an amount sufficient in the opinion of Mortgagee to pay and discharge or to assure compliance with the matter under contest in the event of a final determination thereof adversely to Mortgagor, or (b) obtaining title insurance coverage over such lien on Mortgagee's title insurance policy. Mortgagor agrees to prosecute and contest such matters diligently and by appropriate legal proceedings which will prevent the enforcement of the matter under contest and will not impair the lien of this Mortgage or interfere with the normal conduct of business on the Premises. On final disposition of such contest, any cash or securities in Mortgagee's possession not required to pay or discharge or assure compliance with the matter contested shall be returned to Mortgagor.

13. Right of Mortgagee to Perform Mortgagor's Covenants, Etc. If Mortgagor shall fail to make any payment or perform any act required to be made or performed hereunder, Mortgagee, without waiving or releasing any obligation or default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of Mortgagor, and may enter upon the Premises or any part thereof for such purpose and take all such action thereon as, in the opinion of Mortgagee, may be necessary or appropriate therefor. All sums so paid by Mortgagee and all costs and expenses (including without limitation reasonable attorneys' fees and expenses) so incurred, together with interest thereon from the date of payment or incurrence at the interest rate applicable to the Note on such date, shall constitute so much additional indebtedness hereby secured and shall be paid by Mortgagor to Mortgagee on demand.

14. After-Acquired Property. Any and all property hereafter acquired which is of the kind or nature herein provided

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and related to the premises described in Granting Clause I hereof, or intended to be and become subject to the lien hereof, shall, without any further conveyance, assignment or act on the part of Mortgagor, become and be subject to the lien of this Mortgage as fully and completely as though specifically described herein; but nevertheless Mortgagor shall from time to time, if requested by Mortgagee, execute and deliver any and all such further assurances, conveyances and assignments as Mortgagee may reasonably require for the purpose of expressly and specifically subjecting to the lien of this Mortgage all such property.

15. Inspection by Mortgagee. Mortgagee and its agents shall have access to and the right to inspect the Premises at all reasonable times, and access thereto shall be permitted for that purpose.

16. Subrogation. Mortgagor acknowledges and agrees that Mortgagee shall be subrogated to any lien discharged out of the proceeds of the Loan or out of any advance by Mortgagee hereunder, irrespective of whether or not any such lien may have been released of record.

17. Transfer of the Premises.

(a) Except for transfers made with Mortgagee's written consent, Mortgagor shall not permit or suffer to occur any sale, assignment, conveyance, mortgage, pledge, encumbrance or other transfer of, or the granting of any option or security interest in, or any contract for any of the foregoing (each of the foregoing shall be referred to as a "Prohibited Transfer") pertaining to:

(i) the Premises, any part thereof, or any interest therein; or

(ii) any interest in Mortgagor constituting a controlling interest therein.

Mortgagor agrees that in the event the ownership of the Premises, any interest therein or any part thereof becomes vested in a person other than Mortgagor or any Prohibited Transfer occurs, Mortgagee may, without notice to Mortgagor, deal in any way with such successor or successors in interest with reference to this Mortgage, the Note, and any other document evidencing the indebtedness secured hereby, without in any way vitiating or discharging Mortgagor's liability hereunder or Borrower's liability under the Note or any other document evidencing the indebtedness secured hereby. No sale of the Premises, forbearance to any person with respect to this Mortgage, or extension to any person of the time for payment of the Note given

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by Mortgagee shall operate to release, discharge, modify, change or affect the liability of Mortgagor, either in whole or in part, except to the extent specifically agreed in writing by Mortgagee. Without limitation of the foregoing, in any event in which the written consent of Mortgagee is required in this Section 17, Mortgagee may condition its consent upon any combination of (i) the payment of compensation to be determined by Mortgagee, (ii) the increase of the interest rate payable under the Note, (iii) the shortening of maturity of the Note, and (iv) other modifications of the terms of the Note or the other instruments evidencing the indebtedness secured hereby.

(b) Without limitation of the foregoing, (i) in any event in which Mortgagee's consent is requested in accordance with the terms of this Section 17, Mortgagor shall pay all expenses incurred by Mortgagee, including attorneys' fees, in connection with the processing of such request, and (ii) the consent of Mortgagee to any transfer of the Premises shall not operate to release, discharge, modify, change or affect the liability of Mortgagor, either in whole or in part.

18. Events of Default. Each of the following shall constitute an Event of Default hereunder:

(a) Failure to pay when due (whether by lapse of time, acceleration, or otherwise) the principal of or interest on the Note or any other indebtedness hereby secured;

(b) A Prohibited Transfer shall occur;

(c) Abandonment of the Premises by Mortgagor;

(d) An Event of Default as defined in the Loan and Security Agreement or any default in the observance or performance of any other covenant, condition, agreement or provisions hereof or of the Note or any document executed pursuant to or in connection with the Loan and Security Agreement not described above which is not remedied within thirty (30) days after written notice thereof to Borrower or (as applicable) Mortgagor by Mortgagee.

19. Remedies. When any Event of Default which is not cured within the applicable grace period, if any, has happened and is continuing (regardless of the pendency of any proceeding which has or might have the effect of preventing Mortgagor from complying with the terms of this instrument) and in addition to such other rights as may be available under applicable law, but subject at all times to any mandatory legal requirements:

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(a) Acceleration. Mortgagee may, by written notice to Borrower, declare the Note and all unpaid indebtedness of Borrower hereby secured, including interest then accrued thereon, to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without other notice or demand of any kind.

(b) Uniform Commercial Code. Mortgagee shall, with respect to any part of the Premises constituting property of the type in respect of which realization on a lien or security interest granted therein is governed by the Uniform Commercial Code, have all the rights, options and remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation, the right to the possession of any such property or any part thereof, and the right to enter without legal process any premises where any such property may be found. Any requirement of said Code for reasonable notification shall be met by mailing written notice to Mortgagor at its address set forth herein at least thirty (30) days prior to the sale or other event for which such notice is required. The expenses of retaking, selling and otherwise disposing of said property, including reasonable attorneys' fees and legal expenses incurred in connection therewith, shall constitute so much additional indebtedness hereby secured and shall be payable upon demand with interest at the default Rate.

(c) Foreclosure. Mortgagee may proceed to protect and enforce the rights of the Mortgagee hereunder (i) by any action at law, suit in equity or other appropriate proceedings, whether for the specific performance of any agreement contained herein, or for an injunction against the violation of any of the terms hereof, or in aid of the exercise of any power granted hereby or by law, or (ii) by the foreclosure of this Mortgage. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness hereby secured in the decree of sale, all expenditures and expenses authorized by Illinois mortgage foreclosure law and all other expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Premises. All expenditures and expenses of the nature mentioned in this section, and such other expenses and fees as may be incurred in the protection of the Premises and rents and income



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therefrom and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Premises, including bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional indebtedness hereby secured and shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate until paid.

(d) Appointment of Receiver. In any foreclosure proceeding the court shall, upon application, at once, and with 10 days notice to the said Mortgagor, or any party claiming under said Mortgage, and without giving bond on such application (such notice and bond being hereby expressly waived) and also without reference to the then value of said Premises, to the use of said Premises as a homestead, or to the solvency or insolvency of any person liable for any said indebtedness, appoint a receiver for the benefit of the legal holder of the indebtedness secured hereby, to take possession of the within described Premises, with power to collect rents, issues and profits of the Premises, then due or to become due, during the pendency of such foreclosure suit, and until the time to redeem the same shall expire (such rents, issues and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by this Mortgage); this provision for appointment of a receiver being expressly a condition upon which the Loan was made.

(e) Taking Possession, Collecting Rents, Etc. Upon demand by Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee may enter and take possession of the Premises or any part thereof personally, by its agent or attorneys or be placed in possession or receiver as provided in Illinois mortgage foreclosure law, and Mortgagee, in its discretion, personally, by its agents or attorneys or pursuant to court order as mortgagee in possession or receiver as provided in Illinois mortgage foreclosure law may enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers, and accounts of Mortgagor or Borrower relating thereto, and may exclude Mortgagor and any agents and servants thereof wholly therefrom and may, on behalf of Mortgagor, or in its own name as Mortgagee and under the powers herein granted:

(1) enter upon the Premises and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion may be deemed proper

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or necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the Premises, including without limitation actions for recovery of rent, actions in forcible detainer, and actions in distress for rent, all without notice to Mortgagor;

(2) cancel or terminate any Lease or sublease of all or part of the Premises for any cause or on any ground that would entitle Mortgagor to cancel the same;

(3) elect to disaffirm any Lease or sublease of all or any part of the Premises made subsequent to this Mortgage without Mortgagee's prior written consent;

(4) extend or modify any then existing leases and make new leases of all or any part of the Premises, which extensions, modifications, and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Loan and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such Leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor, all persons whose interests in the Premises are subject to the lien hereof, and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the indebtedness hereby secured, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser;

(5) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments, and improvements in connection with the Premises as may seem judicious to Mortgagee, to insure and reinsure the Premises and all risks incidental to Mortgagee's possession, operation and management thereof, and to receive all rents, issues, deposits, profits, and avails therefrom; and

(6) apply the net income, after allowing a reasonable fee for the collection thereof and for the management of the Premises, to the payment of taxes, premiums and other charges applicable to the Premises, or in reduction of the indebtedness hereby secured in such order and manner as Mortgagee shall select.

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Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Premises. The right to enter and take possession of the Premises and use any personal property therein, to manage, operate, conserve and improve the same, and to collect the rents, issues and profits thereof, shall be in addition to all other rights or remedies of Mortgagee hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. Mortgagor hereby further expressly releases and waives any and all damages and claims for damages occasioned by such expulsion, except as result from the wrongful act or omission of Mortgagee, its agents or contractors. The expenses (including any receiver's fees, reasonable counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be secured hereby which expenses Mortgagor promises to pay upon demand together with interest at the rate applicable to the Note at the time such expenses are incurred. Mortgagee shall not be liable to account to Mortgagor for any action taken pursuant hereto other than to account for any rents actually received by Mortgagee. Without taking possession of the Premises, Mortgagee may, in the event the Premises become vacant or are abandoned, take such steps as it deems appropriate to protect and secure the Premises (including hiring watchmen therefor) and all costs incurred in so doing shall constitute so much additional indebtedness hereby secured payable upon demand with interest thereon at the Default Rate.

## 20. Compliance with Illinois Mortgage Foreclosure Law.

(a) In the event that any provision in this Mortgage shall be inconsistent with any provision of Illinois mortgage foreclosure law, the provisions of Illinois mortgage foreclosure law shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with Illinois mortgage foreclosure law.

(b) If any provisions of this Mortgage shall grant to Mortgagee any rights or remedies upon default of the Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under Illinois mortgage foreclosure law in the absence of said provision, Mortgagee shall be vested with the rights granted in Illinois mortgage foreclosure law to the full extent permitted by law; provided, however, that nothing herein contained shall be deemed to derogate from any cure rights or notice requirements expressly provided for in this Mortgage.

(c) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under Illinois mortgage foreclosure law, whether incurred before

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or after any decree or judgment of foreclosure, and whether enumerated in Section 22 of this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

21. Waiver of Right to Redeem From Sale - Waiver of Appraisalment, Valuation, Etc. Mortgagor shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. In the event of any sale made under or by virtue of this instrument, the whole of the Premises may be sold in one parcel as an entirety or in separate lots or parcels at the same or different times, all as the Mortgagee may determine. Mortgagee shall have the right to become the purchaser at any sale made under or by virtue of this instrument and Mortgagee so purchasing at any such sale shall have the right to be credited upon the amount of the bid made therefor by Mortgagee with the amount payable to Mortgagee out of the net proceeds of such sale. In the event of any such sale, the Note and the other indebtedness hereby secured, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. To the fullest extent permitted by law, Mortgagor hereby voluntarily and knowingly waives its rights of reinstatement and redemption as allowed under Illinois mortgage foreclosure law, on behalf of Mortgagor, and each and every person acquiring any interest in, or title to the Premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by applicable law.

22. Costs and Expenses of Foreclosure. All fees and expenses allowable pursuant to the provisions hereof shall be additional indebtedness secured hereby and shall be a charge upon said Premises and shall constitute a lien thereon prior and paramount to the principal note and interest secured hereby, and whenever possible shall be provided for in any judgment or decree entered in any such proceedings. There shall be included in any decree foreclosing the lien of this Mortgage and be paid out of the rents or proceeds of any sale made in pursuance of any such decree in the following order: (1) all costs of such suit or suits, advertising, sale and conveyance, reasonable attorneys' fees of attorneys for the Mortgagee, stenographers' fees, outlays for documentary evidence and costs of abstract and examination of

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title, title opinions and title guaranty policies; (2) all moneys advanced by the Mortgagee for any purpose authorized in the Mortgage, with interest on such advances at the Default Rate; (3) all the accrued interest remaining unpaid on the indebtedness hereby secured; (4) all of the principal note at such times remaining unpaid. The overplus of the proceeds of the sale, if any, shall then be paid to the Mortgagor. In case, after legal proceedings are instituted to foreclose the lien of this indenture, after the failure of Mortgagor or Borrower to cure any default under the terms hereof prior to the expiration of any applicable grace periods, tender is made of the entire indebtedness due hereunder, the Mortgagee shall be entitled to reimbursement for expenses incurred in connection with such legal proceedings, including such expenditures as are enumerated above, and such expenses shall be so much additional indebtedness secured by this indenture, and no such suit or proceedings shall be dismissed or otherwise disposed of until such fees, expenses and charges shall have been paid in full.

The Mortgagor promises to pay all costs, expenses and reasonable attorneys' fees incurred by the Mortgagee in collecting the debt secured hereby whether by foreclosure, suit or otherwise, in protecting or sustaining the lien of this Mortgage or in any litigation or controversy arising from or in connection with said Note or this Mortgage, together with interest thereon, provided the same are incurred after the failure of Mortgagor to cure any default hereunder prior to the expiration of any applicable grace periods, from the date of payment at the Default Rate and the Mortgagor agrees that any such sums and the interest thereon shall be a lien on said Premises and property and shall be secured by this Mortgage.

23. Application of Proceeds. The proceeds of any foreclosure sale of the Premises or of any sale of property pursuant to Section 19(b) hereof shall be distributed in the following order of priority: First, on account of all costs and expenses incident to the foreclosure or other proceedings including all such items as are mentioned in Sections 19(c) and 22 hereof; Second, to all other items which under the terms hereof constitute indebtedness hereby secured other than that evidenced by the Note with interest thereon as herein provided; Third, to all interest on the Note; Fourth, to all principal on the Note with any overplus to whomsoever shall be lawfully entitled to same.

24. Mortgagee's Remedies Cumulative - No Waiver. No remedy or right of Mortgagee shall be exclusive of but shall be cumulative and in addition to every other remedy or right now or hereafter existing at law or in equity or by statute. No delay in the exercise or omission to exercise any remedy or right



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accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

25. Mortgagee Party to Suits. If Mortgagee shall be made a party to or shall intervene in any action or proceeding affecting the Premises or the title thereto or the interest of Mortgagee under this Mortgage (including probate and bankruptcy proceedings), or if Mortgagee employs an attorney to collect any or all of the indebtedness hereby secured or to enforce any of the terms hereof or realize hereupon or to protect the lien hereof, or if Mortgagee shall incur any costs or expenses in preparation for the commencement of any foreclosure proceeding or for the defense of any threatened suit or proceeding which might affect the Premises or the security hereof, whether or not any such foreclosure or other suit or proceeding shall be actually commenced, then in any such case, Mortgagor agrees to pay to Mortgagee, immediately and without demand, all reasonable costs, charges, expenses and attorneys' fees incurred by Mortgagee in any such case, and the same shall constitute so much additional indebtedness hereby secured payable upon demand with interest at the Default Rate.

26. Modifications Not To Affect Lien. Any part of the security hereof described may be released by the Mortgagee without affecting the lien hereof or the remainder. The liability of the Borrower on the Note shall continue in its original force and effect until the Note and interest thereon are paid in full; Mortgagee may, by written and signed agreement with the then record owner of the Premises, or with the heirs, executors, administrators, devisees, successors or assigns of such record owner, or with any one or more persons liable, whether primarily or secondarily, for the payment of any indebtedness hereby secured, without notice to any other of said persons, extend the time of payment of said indebtedness hereby secured, or any part hereof, without thereby modifying or affecting the lien of its Mortgage or releasing any such person from any liability for such indebtedness hereby secured, and this Mortgage shall be security for all additional interest under such extension agreement; and the granting of any extension or extensions of time of payment of the Note or interest thereon either to the maker thereof or to any other person, or the releasing of a portion of the security hereof, or taking other or additional security for the payment of said indebtedness hereby secured, or waiver of or failure to exercise any right to mature or to enforce the entire indebtedness hereby secured under any covenant or stipulation herein contained, or extending the time

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of payment of any other indebtedness or liability secured hereby, shall not in any way affect this Mortgage or the rights of the Mortgagee hereunder, or operate as a release from any liability upon the Note or said indebtedness hereby secured under any covenant or stipulation herein contained.

27. Environmental Matters. The Mortgagor agrees to indemnify, defend and hold Mortgagee harmless from and against any and all loss, cost (including attorney fees), liability and damage whatsoever, including all foreseeable and unforeseeable consequential damages, directly or indirectly arising out of the presence, use, generation, storage or disposal of "Hazardous Substances" or "Hazardous Waste" (as those terms are defined in the Loan and Security Agreement and all applicable federal and state statutes) or similarly dangerous contaminants in, on, under or, in the proximate vicinity of the Premises and the cost of any required or necessary repair, cleanup or detoxification and the preparation of any closure or other required plans, incurred by Mortgagee by reason of any violation of any applicable statute or regulation for the protection of the environment which occurs or has occurred upon the Premises, or by reason of the imposition of any governmental lien for the recovery of environmental cleanup costs expended by reason of such violation. It is expressly understood and agreed that to the extent that Mortgagee is strictly liable under any such statute, Mortgagor's obligation to Mortgagee under this indemnity shall likewise be without regard to fault on the part of Mortgagor with respect to the violation of law which results in liability to Mortgagee. The provisions of this Section 27 shall survive the repayment of the indebtedness hereby secured, cancellation of the Note, release of the Mortgage and all other indication of termination of the relationship between the Mortgagor, Borrower and Mortgagee.

28. Notices. All notices or other communications required or permitted hereunder shall be (a) in writing and shall be deemed to be given when either (i) delivered in person, (ii) received after deposit in a regularly maintained receptacle of the United States mail as registered or certified mail, postage prepaid, (iii) when received if sent by private courier service, or (iv) on the day on which Mortgagor refuses delivery by mail or by private courier service, and (b) addressed as follows:

If to Mortgagor: George A. Hall  
c/o LP Gas Equipment Corporation  
3216 South Nordic Road  
Arlington Heights, Illinois 60005

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With a copy to: Michael Lurie  
Michael Lurie, Ltd.  
30 North LaSalle Street  
Chicago, Illinois 60602

If to Mortgagee: NBD Elk Grove Bank  
Arlington Heights and Higgins Road  
Elk Grove Village, Illinois 60007-1453  
Attention:

With a copy to: Pedersen & Haupt P.C.  
180 North LaSalle Street  
Suite 3400  
Chicago, Illinois 60601  
Attention: Paul S. Altman

29. Partial Invalidity. All rights, powers and remedies provided herein are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Mortgage shall be held to be invalid or unenforceable, the validity and enforceability of the other terms of this Mortgage shall in no way be affected thereby.

30. Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Mortgage contained by or on behalf of Mortgagor, or by or on behalf of Mortgagee, shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

31. Default Rate. For purposes of this Mortgage, "Default Rate" shall mean the default rate of interest referred in the Note.

32. Headings. The headings in this instrument are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

33. Changes, Etc. This instrument and the provisions hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

34. Future Advances. Mortgagee shall have the right, but not the obligation, to advance additional funds in excess of

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Property of Cook County Clerk's Office

AND MADE A PART OF THE TRUST DEED OR MORTGAGE

DATED November 30, 1992 UNDER TRUST NO. 40678

This Mortgage or Trust Deed in the nature of a mortgage is executed by LA SALLE NATIONAL TRUST, N.A., not personally, but as Trustee under Trust No. 40678 in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said LA SALLE NATIONAL TRUST, N.A. hereby warrants that it possesses full power and authority to execute the Instrument) and it is expressly understood and agreed that nothing contained herein or in the note, or in any other instrument given to evidence the indebtedness secured hereby shall be construed as creating any liability on the part of said mortgagor or grantor, or on said LA SALLE NATIONAL TRUST, N.A. personally to pay said note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, either express or implied, herein contained, all such liability, if any, being hereby expressly waived by the mortgagee or Trustee under said Trust Deed, the legal owners or holders of the note, and by every person now or hereafter claiming any right or security hereunder; and that so far as the mortgagor or grantor and said LA SALLE NATIONAL TRUST, N.A. personally are concerned, the legal holders of the note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby mortgaged or conveyed for the payment thereof by the enforcement of the lien created in the manner herein and in said note provided or by action to enforce the personal liability of the guarantor or guarantors, if any. Trustee does not warrant, indemnify, defend title nor is it responsible for any environmental damage.

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\$1,250,000 to Borrower; and any sum or sums which may be so loaned or advanced by Mortgagee to Borrower within ten (10) years from the date hereof, together with interest thereon at the rate agreed upon at the time of such loan or advance, shall be equally secured with and have the same priority as the original indebtedness and be subject to all the terms and provisions of this Mortgage. Subject to the preceding sentence, this Mortgage is further made to secure payment of all other amounts, with interest thereon, becoming due and payable to Mortgagee under the terms of the Note, this Mortgage, or any other instruments securing the Note; provided, however, that the indebtedness secured hereby shall in no event exceed \$2,500,000.

25. Time of Essence. It is specifically agreed that time is of the essence of this Mortgage. The waiver of any option, or any obligations secured hereby, shall not at any time thereafter be held to be abandonment of such rights. Notice of the exercise of any option granted to the Mortgagee herein, or in the Note secured hereby, is not required to be given.

36. Governing Law. This Mortgage shall be governed by and construed under the laws of the State of Illinois.

37. WAIVER OF JURY TRIAL. THE MORTGAGOR HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM, WHETHER IN CONTRACT OR TORT AT LAW OR IN EQUITY, ARISING OUT OF OR IN ANY WAY RELATED TO THIS MORTGAGE.

IN WITNESS WHEREOF, the Mortgagor has caused these presents to be duly signed, as of the day and year first above written.

LaSALLE NATIONAL TRUST, N.A. Successor Trustee to  
LaSalle National Bank, not  
personally but as trustee under  
trust agreement dated March 18,  
1970 and known as Trust  
Number 40678

ATTEST:

By *Suzanne [Signature]*  
Its ASSISTANT SECRETARY.

By *[Signature]*  
Its VICE PRESIDENT  
*George A. Hall*  
George A. Hall

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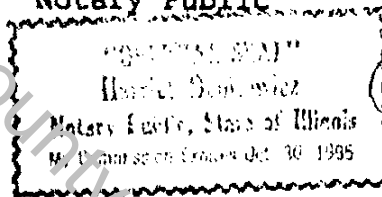
STATE OF ILLINOIS )  
 ) SS  
COUNTY OF C O O K ) ~~LaSALLE~~ NATIONAL TRUST, N.A. Successor Trustee to

I, Sheundersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Corinne Bak, VICE PRESIDENT of LaSalle National Bank, as Trustee, and SUSAN M. LOGAN, ASSISTANT SECRETARY of LaSalle National Bank, as Trustee, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, as such VICE PRESIDENT and ASSISTANT SECRETARY, respectively appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the act of said Bank for the uses and purposes therein set forth; and did affix the corporate seal of said Bank to said instrument as their own free and voluntary act and as the free and voluntary act of said Bank, as Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 1st day of December, 1992.

James J. Deschamps  
Notary Public

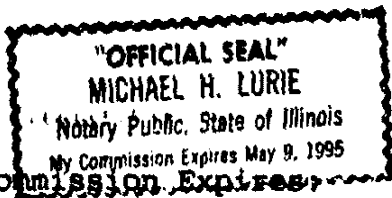
My Commission Expires:



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

I, COOK, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that George A. Hall, personally known to me to be the same person who appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 30th day of November, 1992.



My Commission Expires

Michael H. Lurie  
Notary Public

52923348

# UNOFFICIAL COPY

7 2 3 2 9 3 3 3  
EXHIBIT "A"

## LEGAL DESCRIPTION

### LEGAL DESCRIPTION:

THE SOUTH 125.0 FEET OF THE NORTH 446.08 FEET, AS MEASURED ON THE EAST AND WEST LINES THEREOF, OF A TRACT OF LAND COMPRISED OF THAT PART OF LOTS 14 AND 15 IN ELMHURST-ALGONQUIN INDUSTRIAL PARK, UNIT NO. 2, BEING A SUBDIVISION IN THE SOUTHEAST 1/4 OF SECTION 23, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EAST LINE OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SAID SECTION 23, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office

98923365

# UNOFFICIAL COPY

## EXHIBIT "B"

### PERMITTED EXCEPTIONS

Exception Numbers 6, 7, 8 and 15 as set forth in that Commitment for Title Insurance dated September 22, 1992 and issued by Guaranty National Title Company as commitment number 92-1509.

Property of Cook County Clerk's Office

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