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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") is made as of June 24, 1993, by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as Trustee under Trust Agreement dated May 31, 1990 and known as Trust No. 110135-05 (the "Land Trustee"), having an address at 33 North LaSalle Street, Chicago, Illinois and VRC CREDIT SERVICES, INC., an Illinois corporation and the sole beneficiary of Land Trustee ("Beneficiary," and together with Land Trustee, "Borrower"), to AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO (the "Lender"), having an address at 33 North LaSalle Street in Chicago, Illinois.

Borrower has executed and delivered to Lender a Mortgage Note (the "Note") of even date herewith payable to the order of Lender in the principal sum of One Million Two Hundred Thousand Dollars (\$1,200,000.00), bearing interest and payable as set forth in the Note, and due on June 30, 1998. In order to secure the payment of the principal indebtedness under the Note and interest and premiums on the principal indebtedness under the Note (and all replacements, renewals and extensions thereof, in whole or in part) according to its tenor, and to secure the payment of all other sums (including any prepayment premium) which may be at any time due under the Note, this Mortgage or any of the other Loan Documents (as hereinafter defined; the terms and provisions of the Loan Documents are hereby incorporated herein by this reference as fully and with the same effect as if set forth herein at length) (collectively, such sums are sometimes referred to herein as "Indebtedness"); and to secure the performance and observance of all the covenants, agreements and provisions contained in this Mortgage, the Note and the other Loan Documents; and to charge the properties, interests and rights hereinafter described with such payment, performance and observance, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower DOES HEREBY MORTGAGE AND CONVEY unto Lender, its successors and assigns forever, the following described property, rights and interests (which are referred to herein as the "Premises"), all of which property, rights and interests are hereby pledged primarily and on a parity with the Land (as hereinafter defined) and not secondarily:

THE LAND located in the State of Illinois and legally described in Exhibit A attached hereto (the "Land");

TOGETHER WITH all improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures and personal property of every nature whatsoever now or hereafter owned by Borrower and on, or used or intended to be used in connection with the Land or the improvements, or in connection with any construction thereof, including all extensions, additions, improvements, betterments, renewals, substitutions and replacements to any of the foregoing and all of the right, title and interest of Borrower in and to any such

**THIS DOCUMENT PREPARED BY
AND AFTER RECORDING RETURN TO:**

Rudnick & Wolfe
203 North LaSalle Street
Suite 1800
Chicago, Illinois 60601
Attn: Shepard Gould, Esq.

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personal property or fixtures together with the benefit of any deposits or payments now or hereafter made on such personal property or fixtures by Borrower or on its behalf (the "Improvements");

TOGETHER WITH all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way now or hereafter belonging, relating or appertaining to the Land, and the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Borrower of, in and to the same;

TOGETHER WITH all income from the Premises to be applied against the Indebtedness, provided, however, that Borrower, so long as no Default has occurred hereunder, may collect income as it becomes due, but not more than one (1) month in advance thereof;

TOGETHER WITH all interest of Borrower in all leases now or hereafter on the Premises, whether written or oral (the "Leases"), together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission hereinabove given to Borrower to collect the rentals under any such Lease;

TOGETHER WITH all fixtures and articles of personal property now or hereafter owned by Borrower and forming a part of or used in connection with the Land or the Improvements, including, but without limitation, any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, bidets, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, escalators, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to the Land or the Improvements in any manner; it being mutually agreed that all of the aforesaid property owned by Borrower and placed on the Land or the Improvements, so far as permitted by law, shall be deemed to be fixtures, a part of the realty, and security for the Indebtedness; notwithstanding the agreement hereinabove expressed that certain articles of property form a part of the realty covered by this Mortgage and be appropriated to its use and deemed to be realty, to the extent that such agreement and declaration may not be effective and that any of said articles may constitute goods (as said term is used in the Uniform Commercial Code), this instrument shall constitute a security agreement, creating a security interest in such goods, as collateral, in Lender as a secured party and Borrower as Debtor, all in accordance with said Uniform Commercial Code as more particularly set forth in Paragraph 14 hereof; and

TOGETHER WITH all proceeds of the foregoing, including, without limitation, all judgments, awards of damages and settlements hereafter made resulting from condemnation proceeds or the taking of the Premises or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance, maintained with respect to the Premises or proceeds of any sale, option or contract to sell the Premises or any portion thereof; and Borrower hereby appoints Lender its attorney-in-fact and authorizes Lender, at its option, on behalf of Borrower, or the successors or assigns of Borrower, to adjust, compromise, claim,

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collect and receive such proceeds, to give proper acquittances therefor and, after deducting expenses of collection, to apply the net proceeds as a credit upon any portion, as selected by Lender, of the Indebtedness, notwithstanding the fact that the same may not then be due or that the Indebtedness is otherwise adequately secured.

TO HAVE AND TO HOLD the Premises, unto Lender, its successors and assigns, forever, for the purposes and upon the uses herein set forth together with all right to possession of the Premises after the occurrence of any Default as hereinafter defined; Borrower hereby **RELEASING AND WAIVING** all rights under and by virtue of the homestead exemption laws of the State of Illinois.

BORROWER COVENANTS that it is lawfully seized of the Land, that the same is unencumbered, and that it has good right, full power and lawful authority to convey and mortgage the same, and that it will warrant and forever defend the Land and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

PROVIDED, NEVERTHELESS, that if Borrower shall pay in full when due the Indebtedness and shall timely perform and observe all of the provisions herein and in the Note and the other Loan Documents provided to be performed and observed by Borrower, then the lien of this Mortgage and the interest of Lender in the Premises shall be released at the cost of Borrower but shall otherwise remain in full force.

BORROWER FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. Representations, Warranties and Covenants.

(a) **Representations and Warranties.** To induce Lender to execute and perform this Agreement, Land Trustee hereby represents and covenants and Beneficiary hereby represents, covenants and warrants to Lender as follows:

1.1 At the Loan Opening and at all times thereafter until the Loan is paid in full, Land Trustee will have good and merchantable fee simple title to the Land, subject only to the Permitted Exceptions.

1.2 Beneficiary is the sole beneficiary of Land Trustee and the holder of one hundred percent (100%) of the power to direct Land Trustee; and, except for the security interests of Lender therein to be granted as provided herein, Beneficiary owns the beneficial interest in Land Trustee free from any lien, security interest, encumbrance or other right, title or interest of any other person.

1.3 Beneficiary is duly organized and validly existing under the laws of the State of Illinois. Beneficiary has full power and authority to conduct its business as presently conducted, to own the beneficial interest, to enter into this Mortgage and to perform all of its duties and obligations under this Mortgage and under the Loan Documents. Such execution and performance have been duly authorized by all necessary corporate, shareholder or partnership approval.

1.4 This Mortgage, the Note, the other Loan Documents and any other documents and instruments required to be executed and delivered by Borrower in connection with the Loan, when executed and delivered, will constitute the duly

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authorized, valid and legally binding obligations of the party required to execute the same and will be enforceable strictly in accordance with their respective terms (except to the extent that enforceability may be affected or limited by applicable bankruptcy, insolvency and other similar debtor relief laws affecting the enforcement of creditors' rights generally). No basis presently exists for any claim against Lender under this Mortgage, under the Loan Documents or with respect to the Loan and enforcement of this Mortgage and the Loan Documents is subject to no defenses of any kind.

1.5 The execution, delivery and performance of this Mortgage, the Note, the other Loan Documents and any other documents or instruments to be executed and delivered by Beneficiary, Land Trustee and any guarantor pursuant or in connection with this Loan will not: (i) violate any provisions of law or any applicable regulation, order, writ, injunction or decree of any court or governmental authority, or (ii) conflict with, be inconsistent with, or result in any breach or default of any of the terms, covenants, conditions or provisions of any indenture, mortgage, deed of trust, instrument, document, agreement or contract of any kind to which Borrower or any guarantor or any of such parties is a party or by which any of them may be bound. Neither Beneficiary nor Land Trustee is in default (without regard to grace or cure periods) under any contract or agreement to which it is a party, the effect of which default will adversely affect the performance by Beneficiary or Land Trustee of its obligations pursuant to and as contemplated by the terms and provisions of this Mortgage.

1.6 No condition, circumstance, event, agreement, document, instrument, restriction, litigation or proceeding (or threatened litigation or proceeding or basis therefor) exists which could adversely affect the validity or priority of the liens and security interests granted Lender hereunder or under the Loan Documents which could materially adversely affect the ability of Beneficiary or Land Trustee to perform their obligations under the Loan Documents, which would constitute a default under any of the Loan Documents or which would constitute such a default with the giving of notice or lapse of time, or both.

1.7 The Premises do not violate or conflict with any applicable law, statute, ordinance, rule, regulation or order of any kind, including, without limitation, environmental laws, zoning, building, land use, noise abatement, occupational health and safety or other laws, any building permit or any condition, grant, easement, covenant, condition or restriction, whether recorded or not.

1.8 The Premises have never been used, and the Premises will not be used, for any activities which, directly or indirectly, involve the use, generation, treatment, storage, transportation or disposal of any hazardous materials regulated by applicable law. No hazardous materials exist now, and no hazardous materials will hereafter exist, on or under the Premises or in any surface waters or groundwaters on or under the Premises. The Premises and its existing and prior uses have at all times complied with and will comply with all applicable environmental laws, and Borrower has not violated, and will not violate, any environmental laws.

1.9 There are no facilities on the Premises which are subject to reporting under Section 312 of the federal Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. Section 11022), and federal regulations promulgated thereunder. The Premises do not contain any underground storage tanks. The Premises are not "real

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property" as such term is defined under the Illinois Responsible Property Transfer Act of 1988, Ill. Rev. Stat. ch. 30, para. 903, et seq., as now or hereafter amended ("RPTA"). Neither the making of the Loan by Lender nor the granting of a lien or security interest in the Premises to Lender by Borrower are subject to RPTA.

1.10 All financial statements submitted by Beneficiary to Lender in connection with this Loan are true and correct in all respects, have been prepared in accordance with generally accepted accounting principles consistently applied, and fairly present the respective financial conditions and results of operations of the entities which are their subjects.

1.11 This Mortgage and all financial statements, budgets, schedules, opinions, certificates, confirmations, statements, applications, rent rolls, affidavits, agreements, contracts, and other materials submitted to Lender in connection with or in furtherance of the Loan by or on behalf of Borrower fully and fairly state the matters with which they purport to deal, and neither misstate any material fact nor, separately or in the aggregate, fail to state any material fact necessary to make the statements made not misleading.

1.12 The Loan, including interest rate, fees and charges as contemplated hereby, is a business loan within the purview of Ill. Rev. Stat. ch. 17, para. 6404 (1987); the Loan is an exempted transaction under the Truth In Lending Act, 12 U.S.C. § 1601 et seq.; and the Loan does not, and when disbursed will not, violate the provisions of the Illinois usury laws, any consumer credit laws or the usury laws of any state which may have jurisdiction over this transaction, Borrower or any property securing the Loan.

1.13 Borrower has timely filed and at all times hereafter shall continue to timely file all federal, state and other governmental tax and similar returns which they are required by law to file with respect to Borrower and/or the Premises and the operation and business thereof, and all taxes and other sums which are shown to be payable under such returns have been fully paid. During the term of the Loan, Beneficiary shall promptly furnish Lender a written notice of any litigation in which either or both of Land Trustee or Beneficiary is or are named a defendant or any litigation which materially affects or relates to the Premises.

1.14 Beneficiary now possesses and holds and at all times hereafter shall utilize all good faith best efforts to maintain adequate properties, interests in properties, leases, licenses, franchises, rights and governmental and other permits, certificates, consents and approvals to conduct and operate the business of the Premises as presently conducted thereon or as planned as indicated to Lender, and none of the foregoing contain or shall contain any term or condition materially burdensome or materially different than those possessed or held by other parties conducting or operating a similar business.

1.15 The Leases are and at all times hereafter shall remain in full force and effect, free of set-offs and defaults by either the landlord or, to the best knowledge of Beneficiary, after due and diligent inquiry thereof, tenant thereunder, and all of the Leases are valid and enforceable in accordance with their terms. Except as heretofore disclosed to and approved by Lender, no payments under the Leases have been made more than thirty (30) days in advance. The landlord, and to the best knowledge of

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Beneficiary after due and diligent inquiry thereof, all of the tenants under the Leases have the capacity to contract thereunder. The Leases described on the rent roll heretofore delivered by Beneficiary to Lender and certified by Beneficiary as of the date hereof (the "Rent Roll") are the only Leases (and/or use agreements) currently affecting the Premises.

1.16 Except as expressly set forth in the Rent Roll: (i) there are no rights of renewal, extension, cancellation, termination or modification, options to lease or purchase, rights of refusal to lease or purchase, or rental concessions in effect under any of the Leases or with regard to the Premises; (ii) the landlord under the Leases is not required to perform any leasehold improvements that have not been completed and paid for in full and the landlord under the Leases is not obligated to make any contributions to the tenants thereunder for leasehold improvements, renovations or alterations which have not been paid in full; (iii) none of the tenants under the Leases is entitled to any abatement or set off against the rent payable thereunder; and (iv) there are no security deposits under any of the Leases.

1.17 The Premises shall be managed and operated at all times by Beneficiary or a management company approved in writing by Lender. The management company shall have executed an agreement governing the management of the Premises, which agreement shall be in form and substance reasonably satisfactory to Lender and said management company, at the request of Lender, shall sign an agreement in form and substance reasonably acceptable to Lender pursuant to which said management agreement and the rights of the manager thereunder are made subject and subordinate to the provisions of this Mortgage.

1.18 Beneficiary shall indemnify, defend and hold Lender harmless from and against any and all damage, loss, cost and expense including, but not limited to, reasonable attorneys' fees, costs and expenses, incurred by reason of or arising from or on account of or in connection with (i) any claims for brokerage commissions or finders fees arising out of Beneficiary's conduct or alleged conduct, or (ii) any suit or proceeding, threatened, filed and/or pending, in or to which Lender is or may become or may have to become a party by reason of or arising from or on account of or in connection with the Indebtedness, the Premises, this Mortgage, the Note or the other Loan Documents.

1.19 Any and all improvements, fixtures, equipment and facilities comprising the Premises are, and at all times hereafter Beneficiary shall maintain the same, in good operating condition and repair. The Premises are and will be free from structural defects and leaks and the parking areas have adequate drainage.

1.20 Without limiting the effect of any of the foregoing, the representations and warranties set forth in this Mortgage shall be continuing and shall remain true and correct throughout the term of the Loan.

(b) Payment of Indebtedness and Performance of Covenants. Borrower shall pay the Indebtedness when due and punctually perform and observe all of the requirements of (i) the Note, (ii) this Mortgage, (iii) that certain Assignment of Leases and Rents of even date herewith from Borrower to Lender; (iv) that certain Security Agreement of even date herewith between Beneficiary and Lender, (v) that certain

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Indemnity Agreement of even date herewith from Beneficiary to Lender; (vi) that certain Collateral Assignment of Beneficial Interest of even date herewith from Beneficiary to Lender; (vii) various UCC Financing Statements from Land Trustee and Beneficiary to Lender; and (viii) any other document given to evidence, secure or guaranty the Indebtedness (collectively, the "Loan Documents"). Borrower shall have the privilege of making prepayments on the principal of the Note (in addition to the required payments thereunder) in accordance with the terms and conditions set forth in the Note, but not otherwise.

2. **Maintenance, Repair, Compliance with Law, Use, etc.** Borrower shall (a) promptly repair or restore any portion of the Improvements which may become damaged, whether or not proceeds of insurance are available or sufficient for that purpose; (b) keep the Premises in good condition and free from waste; (c) pay all operating costs of the Premises; (d) complete, within a reasonable time, any Improvements at any time in the process of erection upon the Premises; (e) comply with all requirements of law relating to the Premises or any part thereof by any governmental authority; (f) refrain from any action and correct any condition which would increase the risk of fire or other hazards to the Improvements; (g) comply with any restrictions of record with respect to the Premises and the use thereof; and observe and comply with any conditions necessary to preserve and extend any and all rights, licenses, permits (including, without limitation, zoning variances, special exceptions and nonconforming uses), privileges, franchises and concessions that are applicable to the Premises or its use and occupancy; and (h) cause the Premises to be managed in a competent and professional manner. Without the prior written consent of Lender, Borrower shall not cause, suffer or permit any (i) material alterations of the Premises, except as required by law or except as permitted or required to be made by the terms of any Leases approved by Lender; (ii) change in the intended use or occupancy of the Premises for which the Improvements were constructed; (iii) change in the identity of the person or firm responsible for managing the Premises; (iv) zoning reclassification with respect to the Premises; (v) unlawful use of, or nuisance to exist upon, the Premises; or (vi) granting of any easements, licenses, covenants, conditions or declarations of use against the Premises, other than use restrictions contained or provided for in Leases approved by Lender.

3. **Liens.**

3.1 **Prohibition.** Subject to the provisions of Paragraph 4 hereof, Borrower shall not create or suffer or permit any encumbrance to attach to or be filed against the Premises or any part thereof, excepting only (i) the lien of real estate taxes and assessments not due, (ii) any liens and encumbrances of Lender, and (iii) any other lien or encumbrance permitted by the terms hereof.

3.2 **Contest of Mechanics' Liens Claims.** Notwithstanding the foregoing prohibition against encumbrances, Borrower may in good faith and with reasonable diligence contest the validity or amount of any mechanics' lien and defer payment and discharge thereof during the pendency of such contest, provided that:

3.2.1 Such contest shall prevent the sale or forfeiture of the Premises or any part thereof, or any interest therein, to satisfy such mechanics' lien;

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3.2.2 Within ten (10) days after Borrower has been notified of the filing of such mechanics' lien, Borrower shall have notified Lender in writing of Borrower's intention to contest such mechanics' lien; and

3.2.3 Borrower shall have either obtained a title insurance endorsement over such mechanics' liens insuring Lender against loss by reason of the mechanics' Liens or Borrower shall have deposited with Lender at such place as Lender may appoint from time to time in writing, and in the absence of such appointment, then at the place of payment designated in the Note, a sum of money (the "Deposits") which shall be sufficient in the judgment of Lender to pay in full such mechanics' liens and all interest which might become due thereon. Borrower shall increase the Deposits whenever, in the judgment of Lender, such increase is advisable. The Deposits are to be held without any allowance of interest.

Lender, at its option, may pay the Deposits, or any part thereof, to the mechanics' lien claimant if Borrower (i) fails to maintain sufficient Deposits or (ii) fails to act in good faith or with reasonable diligence in contesting the mechanics' liens claims. If the mechanics' lien contest is resolved in favor of the claimant and Borrower is not in default hereunder, Lender shall pay the Deposits, or any part thereof, to the claimant upon Lender's receipt of evidence satisfactory to Lender of the amount to be paid. Lender shall pay any remaining Deposits to Borrower, provided Borrower is not in default hereunder.

4. Taxes.

4.1 Payment. Borrower shall pay when due, all taxes, assessments and charges of every kind levied or assessed against the Premises or any interest therein or any obligation or instrument secured hereby, and all installments thereof (all herein generally called "Taxes"), whether or not assessed against Borrower, and Borrower shall furnish to Lender receipts therefor on or before the date the same are due; and shall discharge any claim or lien relating to taxes upon the Premises, other than matters expressly permitted by the terms hereof.

4.2 Contest. Borrower, in good faith and with reasonable diligence, may contest the validity or amount of any such Taxes, provided that:

4.2.1 Such contest shall prevent the collection of the Taxes so contested and the sale or forfeiture of the Premises or any part thereof or interest therein to satisfy the same;

4.2.2 Borrower has notified Lender in writing of the intention of Borrower to contest the same before any Tax has been increased by any interest, penalties or costs; and

4.2.3 Borrower has deposited with Lender, at such place as Lender may designate from time to time in writing, a sum of money or other security acceptable to Lender that, when added to the monies or other security, if any, deposited with Lender pursuant to Paragraph 8 hereof, is sufficient, in Lender's judgment, to pay in full such contested Tax, including interest and penalties, and

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shall increase such deposit to cover additional interest and penalties whenever Lender deems such an increase advisable. Any deposits made hereunder are to be held without any allowance of interest thereon.

If Borrower fails to (i) prosecute such contest with reasonable diligence or (ii) maintain sufficient funds on deposit as hereinabove provided, Lender, at its option, may apply the monies and liquidate any securities deposited with Lender, in payment of, or on account of, such Taxes, or any portion thereof then unpaid, including all penalties and interest thereon. If the amount of the money and any such security so deposited is insufficient for the payment in full of such Taxes, together with all penalties and interest thereon, Borrower shall forthwith, upon demand, either deposit with Lender a sum that, when added to such funds then on deposit, is sufficient to make such payment in full, or, if Lender has applied funds on deposit on account of such Taxes, restore such deposit to an amount satisfactory to Lender. Provided that Borrower is not then in default hereunder, Lender shall, after final disposition of such contest and upon Borrower's written request and Borrower's delivery to Lender of an official bill for such Taxes, apply the money so deposited in full payment of such Taxes or that part thereof then unpaid, together with all penalties and interest thereon.

5. **Change in Tax Laws.** If, by the laws of the United States of America, or of any state or municipality having jurisdiction over Lender, Borrower or the Premises, any tax is imposed or becomes due in respect of the issuance of the Note or the recording of this Mortgage, Borrower shall pay such tax in the manner required by such law. In the event that any law, statute, rule, regulation, order or court decree has the effect of deducting from the value of the Premises for the purpose of taxation any lien thereon, or imposing upon Lender the payment of the whole or any part of the taxes required to be paid by Borrower, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of Lender in the Premises, or the manner of collection of taxes, so as to affect this Mortgage, the Indebtedness of Lender, then Borrower, upon demand by Lender, shall pay such taxes, or reimburse Lender therefor on demand, unless Lender determines, in Lender's exclusive judgment, that such payment or reimbursement by Borrower is unlawful; in which event the Indebtedness shall be due within thirty (30) days after written demand by Lender to Borrower. Nothing in this Paragraph 5 shall require Borrower to pay any income, franchise or excise tax imposed upon Lender, excepting only such which may be levied against the income of Lender as a complete or partial substitute for taxes required to be paid by Borrower pursuant hereto.

6. **Insurance Coverage.** Borrower will insure the Premises against such perils and hazards, and in such amounts and with such limits, as Lender may require from time to time, and in any event, will continuously maintain the following described policies of insurance (the "Insurance Policies"):

6.1 Casualty insurance against loss and damage by all risks of physical loss or damage, including fire, windstorm, flood, earthquake and other risks covered by the so-called extended coverage endorsement in amounts not less than the full insurable replacement value of all Improvements, fixtures and equipment from time to time on the Premises and bearing a replacement cost agreed amount endorsement;

6.2 Comprehensive public liability insurance against death, bodily injury and property damage in an amount not less than One Million Dollars (\$1,000,000);

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6.3 Employer's Liability Insurance;

6.4 Rental or business interruption insurance in amounts sufficient to pay, for a period of up to one (1) year, all amounts required to be paid by Borrower pursuant to the Note and this Mortgage;

6.5 Steam boiler, machinery and pressurized vessel insurance (if applicable to the Premises);

6.6 If the Federal Insurance Administration (FIA) has designated the Premises to be in a special flood hazard area and has designated the community in which the Premises are located eligible for sale of subsidized insurance, first and second layer flood insurance when and as available; and

6.7 The types and amounts of coverage as are customarily maintained by owners or operators of like properties.

7. **Insurance Policies.** All Insurance Policies shall be in form, companies and amounts reasonably satisfactory to Lender. All Insurance Policies shall (i) include, when available, non-contributing Lender endorsements in favor of and with loss payable to Lender, (ii) include standard waiver of subrogation endorsements, (iii) provide that the coverage shall not be terminated or materially modified without thirty (30) days' advance written notice to Lender, and (iv) provide that no claims shall be paid thereunder without ten (10) days' advance written notice to Lender. Borrower will deliver all Insurance Policies, premium prepaid, to Lender, and will deliver renewal or replacement policies at least thirty (30) days prior to the date of expiration of any policy. The requirements of the preceding sentence shall apply to any separate policies of insurance taken out by Borrower concurrent in form or contributing in the event of loss with the Insurance Policies. Insurance Policies maintained by tenants under the Leases, if in conformity with the requirements of this Mortgage and if approved by Lender, may be presented to Lender in satisfaction of Borrower's obligation to provide the insurance coverages provided by those Insurance Policies.

8. **Deposits for Taxes and Insurance Premiums.** In order to assure the payment of Taxes and insurance policy premiums ("Premiums") when due:

8.1 Borrower, if required by Lender, shall deposit with Lender on the first business day of each month, an amount equal to one-twelfth (1/12) of the Taxes and Premiums thereof to become due with respect to the Premises between (1) one and thirteen (13) months after the date of such deposit; provided that in the case of the first such deposit, Borrower shall deposit in addition an amount which, when added to the aggregate amount of monthly deposits to be made hereunder with respect to Taxes and Premiums to become due within thirteen (13) months after such first deposit, will provide (without interest) a sufficient fund to pay such Taxes and Premiums one (1) month prior to the date when they are due. The amounts of such deposits (herein generally called "Tax and Insurance Deposits") shall be based upon Lender's estimate of the amount of Taxes and Premiums. Borrower, promptly upon the demand of Lender, shall make additional Tax and Insurance Deposits as Lender may require from time to time due to (i) failure of Lender to require, or failure of Borrower to make, Tax and Insurance Deposits in previous months, (ii) underestimation of the amounts of Taxes

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and/or Premiums, due dates and amounts of Taxes and/or Premiums, or (iii) application of the Tax and Insurance Deposits pursuant to Paragraph 8.3 hereof. Additionally, upon the execution hereof, Borrower shall deposit with Lender, as a Tax and Insurance Deposit, the amount of all Taxes and Premiums to become due and payable prior to the first monthly Tax and Insurance Deposit or within one (1) month thereafter. Lender shall hold all Tax and Insurance Deposits without any allowance of interest thereon. Notwithstanding any provision hereof to the contrary, Lender shall not require Borrower to make Tax and Insurance Deposits unless one or more of the following events has occurred: (i) a Default has occurred hereunder; (ii) Borrower has failed to provide for the payment of Taxes and Premiums in a manner satisfactory to Lender; or (iii) Borrower has failed to maintain the Insurance Policies in a manner satisfactory to Lender.

8.2 Lender will pay, out of the Tax and Insurance Deposits, upon the presentation to Lender by Borrower of the bills therefor, the Taxes and Premiums or will reimburse, upon the presentation of receipted bills therefor, Borrower for such payments made by Borrower. If the total Tax and Insurance Deposits on hand shall not be sufficient to pay all of the Taxes and Premiums when the same shall become due, then Borrower shall pay to Lender on demand the amount necessary to make up the deficiency.

8.3 Upon a Default under this Mortgage, Lender, at its option, may apply any Tax and Insurance Deposits on hand to the Indebtedness, in such order and manner as Lender may elect. When the Indebtedness has been fully paid, any remaining Tax and Insurance Deposits shall be paid to Borrower. All Tax and Insurance Deposits are hereby pledged as additional security for the Indebtedness, and shall be held by Lender irrevocably to be applied for the purposes for which made as herein provided, and shall not be subject to the direction or control of Borrower.

8.4 Notwithstanding anything herein contained to the contrary, Lender shall not be liable for any failure to apply the Tax and Insurance Deposits unless Borrower, while no Default exists hereunder, shall have (i) requested Lender in writing to make application of such Deposits to the payment of the Taxes or Premiums and (ii) presented Lender with bills for such Taxes or Premiums.

8.5 The provisions of this Mortgage are for the benefit of Borrower and Lender alone. No provision of this Mortgage shall be construed as creating in any other party any rights in and to the Tax and Insurance Deposits or any rights to have the Tax and Insurance Deposits applied to payment of Taxes and Premiums. Lender shall have no obligation or duty to any third party to collect Tax and Insurance Deposits.

9. Proceeds of Insurance. Borrower will give Lender prompt notice of any loss or damage to the Premises, and:

9.1 In case of loss or damage covered by any of the Insurance Policies, Lender (or, after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be), at its option, may either (i) settle and adjust any claim under such Insurance Policies without the consent of Borrower, or (ii) allow Borrower to settle and adjust such claim without the consent of Lender; provided that in either case Lender shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the expenses incurred by Lender in the adjustment and collection

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of insurance proceeds shall be so much additional Indebtedness, and shall be reimbursed to Lender upon demand or may be deducted by Lender from said insurance proceeds prior to any other application thereof. Each insurance company which has issued an Insurance Policy is hereby authorized and directed to make payment for all losses covered by any Insurance Policy to Lender alone, and not to Lender and Borrower jointly.

9.2 Lender, in its sole discretion, shall elect to apply the proceeds of Insurance Policies consequent upon any casualty either (i) to reduce the Indebtedness; or (ii) to reimburse Borrower for the cost of restoring or repairing the Premises subject to the conditions and in accordance with the provisions of Paragraph 10 hereof. In the event Lender applies the proceeds of Insurance Policies to the Indebtedness and such proceeds do not discharge that Indebtedness in full, the entire Indebtedness shall become immediately due and payable with interest thereon at the Default Rate specified in the Note (the "Default Rate").

9.3 Whether or not insurance proceeds are made available to Borrower, Borrower shall restore or repair the Improvements, to be of at least equal value, and of substantially the same character as prior to such casualty, all to be effected in accordance with plans, specifications and procedures approved in advance by Lender, and Borrower shall pay all costs of such restoring or repairing.

10. Disbursement of Insurance Proceeds. Insurance proceeds held by Lender for restoration or repairing of the Premises shall be disbursed from time to time upon Lender being furnished with (i) evidence satisfactory to it of the estimated cost of the restoration or repair, (ii) funds sufficient in addition to the proceeds of insurance, to fully pay for the restoration or repair and to pay debt service on the Loan during the period of restoration or repair, and (iii) such architect's certificates, waivers of lien, contractor's sworn statements, title insurance endorsements, plats of survey and such other evidences of cost, payment and performance as Lender may require and approve. No payment made prior to the final completion of the restoration or repair shall exceed ninety percent (90%) of the value of the work performed from time to time, as such value shall be determined by Lender in its sole judgment; funds deposited hereunder other than insurance proceeds shall be disbursed prior to disbursement of such proceeds; and at all times the undisbursed balance of such proceeds remaining in the hands of Lender, together with funds deposited or irrevocably committed, to the satisfaction of Lender, by or on behalf of Borrower to pay the cost of such repair or restoration, shall be sufficient in the reasonable judgment of Lender to pay the entire unpaid cost of the restoration or repair, free of all liens or claims for lien. Any surplus remaining out of insurance proceeds held by Lender after payment of such costs of restoration or repair shall be paid to Borrower, provided Borrower is not in default hereunder. No interest shall be allowed to Borrower on account of any proceeds of insurance or other funds held by Lender.

11. Condemnation and Eminent Domain. All awards (the "Awards") made to the present, or any subsequent, owner of the Premises, by any governmental or other lawful authority for the taking, by condemnation or eminent domain, of all or any part of the Premises, are hereby assigned by Borrower to Lender. Lender may collect the Awards from the condemnation authorities, and may give appropriate acquittances therefor. Borrower shall immediately notify Lender of the actual or threatened commencement of any condemnation or eminent domain proceedings affecting any part of the Premises and shall deliver to Lender copies of all papers served in connection with any such proceedings. Borrower shall make,

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execute and deliver to Lender, at any time upon request, free of any encumbrance, any further assignments and other instruments deemed necessary by Lender for the purpose of assigning the Awards to Lender. If any portion of or interest in the Premises is taken by condemnation or eminent domain, and the remaining portion of the Premises is not, in the judgment of Lender, a complete economic unit having equivalent value to the Premises as it existed prior to the taking, then, at the option of Lender, the entire Indebtedness shall immediately become due. After deducting from the Award for such taking all of its expenses incurred in the collection and administration of the Award, including attorneys' fees, Lender shall be entitled to apply the net proceeds toward repayment of such portion of the Indebtedness 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 Lender, leaves the Premises as a complete economic unit having equivalent value to the Premises as it existed prior to the taking, and provided Borrower is not in default hereunder, the Award shall be applied to reimburse Borrower for the cost of restoration and rebuilding the Premises in accordance with plans, specifications and procedures approved in advance by Lender, and such Award shall be disbursed in the same manner as is provided above for the application of insurance proceeds. If all or any part of the Award is not applied for reimbursement of such restoration costs, the Award shall be applied, at the option of Lender, against the Indebtedness in such order or manner as Lender shall elect, or paid to Borrower.

12. Assignment of Rents, Leases and Profits. To further secure the Indebtedness, Borrower hereby assigns unto Lender all of the rents, leases and income now or hereafter due under any Leases agreed to by Borrower or the agents of Borrower or which may be made or agreed to by Lender under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all such Leases, rents and income thereunder, to Lender. Borrower hereby irrevocably appoints Lender its attorney-in-fact (this power of attorney and any other powers of attorney granted herein are powers coupled with an interest and cannot be revoked, modified or altered without the written consent of Lender) with or without taking possession of the Premises as provided in Paragraph 18 hereof, to lease any portion of the Premises to any party upon such terms as Lender shall determine, and to collect all rents due under each of the Leases, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Lender would have upon taking possession pursuant to the provisions of Paragraph 18 hereof. Borrower represents that no rent has been or will be paid by any person in possession of any portion of the Premises for more than one instalment in advance and that the payment of none of the rents for any portion of the Premises has been or will be waived, reduced or otherwise discharged or compromised by Borrower. Borrower waives any rights of set-off against any person in possession of any portion of the Premises. Borrower agrees that it will not assign any of the rents or profits of the Premises, except to a purchaser or grantee of the Premises. Nothing herein contained shall be construed as constituting Lender a mortgagee in possession in the absence or the taking of actual possession of the Premises by Lender pursuant to Paragraph 18 hereof. Borrower expressly waives all liability of Lender in the exercise of the powers herein granted Lender. Borrower shall assign to Lender all future leases upon any part of the Premises and shall execute and deliver, at the request of Lender, all such further assurances and assignments in the Premises as Lender shall require from time to time. Although the assignment contained in this Paragraph is a present assignment, Lender shall not exercise any of the powers conferred upon it by this Paragraph until a Default shall exist under this Mortgage. Within thirty (30) days of Lender's written demand, Borrower will furnish Lender with executed copies of each of the Leases and with estoppel letters from each tenant in a form satisfactory to Lender. If Lender requires that Borrower execute and record a separate collateral assignment of rents or

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separate assignments of any of the Leases to Lender, the terms of those assignments shall control in the event of a conflict with the terms of this Mortgage.

13. **Observance of Lease Assignment.** Borrower agrees that if any lessee under any of the Leases shall fail to pay its rent on a timely basis or fulfill any material provision in said Lease or if Borrower shall terminate or modify any of the Leases without Lender's prior written consent; or if Borrower shall suffer any default under the provisions of any assignment of any Lease given as additional security for the payment of the Indebtedness and such default shall not be cured within the applicable grace period provided therein; then such default shall constitute a Default (as hereinafter defined) and at the option of Lender, and without notice to Borrower, the Indebtedness shall become due as in the case of other Defaults.

14. **Security Agreement.** Borrower and Lender agree that this Mortgage shall constitute a Security Agreement within the meaning of the Illinois Uniform Commercial Code (hereinafter referred to as the "Code") with respect to (i) all sums at any time on deposit for the benefit of Lender or held by the Lender (whether deposited by or on behalf of Borrower or anyone else) pursuant to any of the provisions of the Mortgage or the other Loan Documents and (ii) with respect to any personal property included in the granting clauses of this Mortgage, which personal property may not be deemed to be affixed to the Premises or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code) (which property is hereinafter referred to as "Personal Property"), and all replacements of, substitutions for, additions to, and the proceeds thereof (all of said Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as the "Collateral"), and that a security interest in and to the Collateral is hereby granted to the Lender, and the Collateral and all of Borrower's right, title and interest therein are hereby assigned to Lender, all to secure payment of the Indebtedness. All of the provisions contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Premises; and the following provisions of this Paragraph shall not limit the applicability of any other provision of this Mortgage but shall be in addition thereto:

14.1 Borrower (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof, other liens and encumbrances benefitting Lender and no other party, and liens and encumbrances, if any, expressly permitted by the other Loan Documents.

14.2 The Collateral is to be used by Borrower solely for business purposes.

14.3 The Collateral will be kept at the Land and, except for Obsolete Collateral (as hereinafter defined), will not be removed therefrom without the consent of Lender (being the Secured Party as that term is used in the Code). The Collateral may be affixed to the Land but will not be affixed to any other real estate.

14.4 The only persons having any interest in the Premises are Borrower, Lender and holders of interests, if any, expressly permitted hereby.

14.5 No Financing Statement (other than Financing Statements showing Lender as the sole secured party, or with respect to liens or encumbrances, if any, expressly permitted hereby) covering any of the Collateral or any proceeds thereof is on file in any

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public office except pursuant hereto; and Borrower, at its own cost and expense, upon demand, will furnish to Lender such further information and will execute and deliver to Lender such financing statements and other documents in form satisfactory to Lender and will do all such acts as Lender may request at any time or from time to time or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness, subject to no other liens or encumbrances, other than liens or encumbrances benefitting Lender and no other party and liens and encumbrances (if any) expressly permitted hereby; and Borrower will pay the cost of filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by Lender to be desirable.

14.6 Upon Default hereunder, Lender shall have the remedies of a secured party under the Code, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose, so far as Borrower can give authority therefor, with or without judicial process, may enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Lender shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Borrower's right of redemption in satisfaction of Borrower's obligations, as provided in the Code. Lender may render the Collateral unusable without removal and may dispose of the Collateral on the Premises. Lender may require Borrower to assemble the Collateral and make it available to Lender for its possession at a place to be designated by Lender which is reasonably convenient to both parties. Lender will give Borrower at least twenty (20) days' notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Borrower hereinafter set forth at least twenty (20) days before the time of the sale or disposition. Lender may buy at any public sale. Lender may buy at private sale if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the Premises. If Lender so elects, the Premises and the Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the reasonable attorneys' fees and legal expenses incurred by Lender, shall be applied against the Indebtedness in such order or manner as Lender shall select. Lender will account to Borrower for any surplus realized on such disposition.

14.7 The terms and provisions contained in this Paragraph 14, unless the context otherwise requires, shall have the meanings and be construed as provided in the Code.

14.8 This Mortgage is intended to be a financing statement within the purview of Section 9-402(6) of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Premises. The addresses of Borrower (Debtor) and Lender (Secured Party) are hereinabove set forth. This Mortgage is to be filed for recording with the Recorder of Deeds of the county or counties where the Premises are located. Borrower is the record owner of the Premises.

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14.9 To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all Leases between Borrower or its agents as lessor, and various tenants named therein, as lessee, including all extended terms and all extensions and renewals of the terms thereof, as well as any amendments to or replacement of said Leases, together with all of the right, title and interest of Borrower, as lessor thereunder.

15. **Restrictions on Transfer.** (a) Borrower, without the prior written consent of Lender, shall not effect, suffer or permit any "Prohibited Transfer" (as defined herein). Any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties or interests shall constitute a "Prohibited Transfer":

15.1 The Premises or any part thereof or interest therein, excepting only sales or other dispositions of Collateral (herein called "Obsolete Collateral") no longer useful in connection with the operation of the Premises, provided that prior to the sale or other disposition thereof, such Obsolete Collateral has been replaced by Collateral of at least equal value and utility which is subject to the lien hereof with the same priority as with respect to the Obsolete Collateral;

15.2 All or any portion of the beneficial interest or power of direction in or to Land Trustee;

15.3 Any shares of capital stock of Beneficiary or a corporation which is the owner of substantially all of the capital stock of Beneficiary the result of which is to leave any person or entity other than Albert Rubin owning the controlling interest of stock in Beneficiary;

15.4 Any shares of capital stock of Van Ru Credit Corporation ("Van Ru") or a corporation which is the owner of substantially all of the capital stock of Van Ru the result of which is to leave any person or entity other than Albert Rubin owning the controlling interest of stock in Van Ru;

15.5 All or any part of the partnership or joint venture interest, as the case may be, of a partnership beneficiary of a Borrower if such beneficiary is a partnership or a joint venture;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly (including the nominee agreement), voluntarily or involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions of this Paragraph 15 shall not apply (i) to liens securing the Indebtedness, (ii) to the lien of current taxes and assessments not in default, (iii) to any transfers of the Premises, or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint venture interests, as the case may be, by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate or personal representatives, or (iv) any lease for all or any portion of the Premises entered into in the ordinary course of business, provided that such lease shall not contain an option to purchase all or any portion of the Premises or any

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right of first refusal with respect thereto and provided further that such lease has been approved by Lender pursuant to paragraph 28 hereof.

(b) In determining whether or not to make the loan secured hereby, Lender evaluated the background and experience of Beneficiary and the officers thereof in owning and operating property such as the Premises, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Premises which is Lender's security for the Note. Beneficiary and its officers are well experienced in borrowing money and owning and operating property such as the Premises, were ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby and bargained at arm's length and without duress of any kind for all of the terms and conditions of the loan, including this provision. Land Trustee and Beneficiary recognize that Lender is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other than the original Beneficiary. Land Trustee and Beneficiary further recognize that any secondary junior financing placed upon the Premises, or the beneficial interest of the Beneficiary (a) may divert funds which would otherwise be used to pay the Note secured hereby; (b) could result in acceleration and foreclosure by any such junior encumbrancer which would force Lender to take measures and incur expenses to protect its security; (c) would detract from the value of the Premises should Lender come into possession thereof with the intention of selling same; and (d) would impair Lender's right to accept a deed in lieu of foreclosure, as a foreclosure by Lender would be necessary to clear the title to the Premises. In accordance with the foregoing and for the purposes of (i) protecting Lender's security, both of repayment and of value of the Premises; (ii) giving Lender the full benefit of its bargain and contract with Land Trustee and Beneficiary; (iii) allowing Lender to raise the interest rate and collect assumption fees; and (iv) keeping the Premises and the beneficial interest free of subordinate financing liens, Land Trustee and Beneficiary agree that if this Paragraph 15 is deemed a restraint on alienation, that it is a reasonable one.

16. **Defaults.** If one or more of the following events (herein called "Defaults") shall occur:

16.1 If any default is made in the due and punctual payment of the monies required under the Note, under this Mortgage or under the other Loan Documents, when due;

16.2 Except as otherwise provided under this Paragraph 15, if default shall exist for any reason other than the non-payment of money hereunder or under any other document or instrument regulating, evidencing, securing or guaranteeing any of the Indebtedness, including, but not limited to, any of the Loan Documents, and in each case after the expiration of the applicable cure period or if no express cure period is provided, then in each case, if such default shall continue for ten (10) days after notice thereof by Lender to Borrower;

16.3 The occurrence of a Prohibited Transfer;

16.4 If any representations or warranty contained herein or in any other Loan Document if any of the information contained in any documentation provided to Lender by Borrower in conjunction with the Indebtedness shall not be true, accurate and complete in all material respects;

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16.5 If (and for the purpose of this subparagraph 16.5 only, the term Borrower shall mean not only Borrower, but also Beneficiary, any officer of Beneficiary, any owner of more than ten percent (10%) of the stock in a corporation which is the beneficiary of a Borrower or a general partner of Beneficiary and each person who, as guarantor, co-maker or otherwise, shall be or become liable for or obligated upon all or any part of the Indebtedness or any of the covenants or agreements contained herein):

16.5.1 Borrower shall file a voluntary petition in bankruptcy or for relief under the federal Bankruptcy Act or any similar state or federal law;

16.5.2 Borrower shall file a pleading in any proceeding admitting insolvency;

16.5.3 Within thirty (30) days after the filing against Borrower of any involuntary proceeding under the federal Bankruptcy Act or similar state or federal law, such proceedings shall not have been vacated;

16.5.4 A substantial part of Borrower's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within thirty (30) days;

16.5.5 Borrower shall make an assignment for the benefit of creditors or shall consent to the appointment of a receiver or trustee or liquidator of all or the major part of its property, or the Premises; or

16.5.6 Any order appointing a receiver, trustee or liquidator of Borrower or all or a major part of Borrower's property or the Premises is not vacated within thirty (30) days following the entry thereof;

16.6 If a notice of lien, levy or assignment is filed or record with respect to the Premises or with respect to all or any of the assets of Borrower by the United States government or any department, agency or instrumentality thereof or by any state, county, municipal or other governmental agency, or if any taxes or debts owing at any time or times hereafter to any one of them becomes a lien or encumbrance upon the Premises or any other of Borrower's assets and any of the foregoing is not released within thirty (30) days after the same becomes a lien or encumbrance;

16.7 If any statement or representation made by Borrower or furnished by Borrower to Lender in connection with the transactions which gave rise to this Mortgage shall be false or misleading in any material respect;

16.8 The dissolution of Beneficiary;

16.9 Any default by the landlord under any of the Leases, which default is not cured within the grace or cure period, if any, applicable thereto; provided, however, that if the continued operation or safety of the Premises or the priority, validity or enforceability of this Mortgage or the lien hereof or the lien of any other security granted by Borrower to Lender under this Mortgage or the other Loan Documents or the value of any of the Premises is immediately threatened or jeopardized by reason of

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such Lease default, Borrower shall not be entitled to such grace or cure period and a Default shall occur immediately thereupon; or

16.10 Beneficiary, Van Ru Credit Corporation, an Illinois corporation ("Van Ru") or Albert Rubin shall cease to maintain their primary depository relationships with Lender, as required by Paragraph 30 hereof;

then Lender, at its option and without affecting the lien hereby created or the priority of said lien or any other right of Lender hereunder, may declare, without further notice, all Indebtedness immediately due with interest thereon at the Default Rate, whether or not such Default is thereafter remedied by Borrower, and Lender may immediately proceed to foreclose this Mortgage and to exercise any right provided by this Mortgage, the Note, the other Loan Documents or otherwise.

17. **Foreclosure.** When the Indebtedness shall become due, whether by acceleration or otherwise, Lender shall have the right to foreclose the lien hereof in accordance with the Illinois Mortgage Foreclosure Act, Ill. Rev. Stat. ch. 110, para. 15-1101 (1987), 735 ILCS 5/15-1101 (1992), et seq. (the "Act") and to exercise any other remedies of Lender provided in the Note, this Mortgage, the other Loan Documents, or which Lender may have at law, in equity or otherwise. In any suit to foreclose the lien hereof, there shall be allowed and included as additional Indebtedness in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of Lender for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, 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 Lender 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, and any other expenses and expenditures which may be paid or incurred by or on behalf of Lender and permitted by the Act to be included in such decree. All expenditures and expenses of the nature mentioned in this Paragraph, and such other expenses and fees as may be incurred in the protection of the Premises and rents and income therefrom and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Lender in any litigation or proceedings affecting this Mortgage, the Note or the Premises, including probate and 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 and shall be immediately due and payable by Borrower, with interest thereon at the Default Rate until paid.

18. **Right of Possession.** When the Indebtedness shall become due, whether by acceleration or otherwise, or if Lender has a right to institute foreclosure proceedings, Borrower shall surrender to Lender, forthwith upon demand of Lender, and Lender shall be entitled to be placed in possession of the Premises as provided in the Act, and Lender, in its discretion and pursuant to court order, 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 Borrower or the then owner of the Premises relating thereto, and may exclude Borrower, such owner, and any agents and servants thereof wholly therefrom and, on behalf of Borrower or such owner, or in its own name as Lender and under the powers herein granted may:

18.1 hold, operate, manage and control all or any part of the Premises and conduct the business, if any, thereof, either personally or by its agents, with full power

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to use such measures, legal or equitable, as Lender may deem 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 Borrower;

18.2 cancel or terminate any Lease or sublease of all or any part of the Premises for any cause or on any ground that would entitle Borrower to cancel the same;

18.3 elect to disaffirm any Lease or sublease of all or any part of the Premises made subsequent to this Mortgage without Lender's prior written consent;

18.4 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 evidenced by the Note and the issuance of a deed to a purchaser 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 Borrower, all persons whose interests in the Premises are subject to the lien hereof, and the purchaser at any foreclosure sale, notwithstanding any redemption from sale, reinstatement, discharge of the Indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser;

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

18.6 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 in such order and manner as Lender shall select.

Without limiting the generality of the foregoing, Lender shall have all power, authority and duties as provided in the Act. Nothing herein contained shall be construed as constituting Lender a mortgagee in possession in the absence of the actual taking of possession of the Premises.

19. **Receiver.** Upon the filing of a complaint to foreclose this Mortgage or at any time thereafter, the court in which such complaint is filed may appoint upon petition of Lender, and at Lender's sole option, a receiver of the Premises pursuant to the Act. Such appointment may be made either before or after sale, without notice, without regard to solvency or insolvency of Borrower at the time of application for such receiver, and without regard to the then value of the Premises or whether or not the same shall be then occupied as a homestead; and Lender hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have all powers and duties prescribed by the Act, including the power to make leases to be binding upon all parties, including the mortgagor, the purchaser at a sale pursuant to a judgment of foreclosure and any person acquiring an interest in the Premises after entry of a judgment of foreclosure, all as provided in the Act. In addition, such receiver shall also have the power to extend or modify any then existing leases, which extensions and

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

20. **Foreclosure Sale.** Except to the extent otherwise required by the Act, the proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, all items which under the terms hereof constitute Indebtedness additional to the principal and interest evidenced by the Note in such order as Lender shall elect with interest thereon as herein provided; and second, all principal and interest remaining unpaid on the Note in such order as Lender shall elect; and lastly, any surplus to Borrower and its successors and assigns, as their rights may appear.

21. **Insurance During Foreclosure.** All rights and powers of Lender under Paragraphs 9 and 10 hereof, from and after the entry of judgment of foreclosure, shall continue in the Lender as decree creditor until confirmation of sale. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any Insurance Policy, if not applied in rebuilding or restoring the Improvements, as aforesaid, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. The foreclosure decree may provide that the mortgagee's clause attached to each of the casualty Insurance Policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said casualty Insurance Policies making the loss thereunder payable to said decree creditors. In the event of foreclosure sale, Lender, without the consent of Borrower, may assign any Insurance Policies to the purchaser at the sale, or take such other steps as Lender may deem advisable to protect the interest of such purchaser.

22. **Waiver of Right of Redemption and Other Rights.** To the full extent permitted by law, Borrower agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor take any advantage of any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or claim or exercise any rights under any statute.

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now or hereafter in force to redeem the property or any part thereof, or relating to the marshalling thereof, on foreclosure sale or other enforcement hereof. To the full extent permitted by law, Borrower hereby expressly waives any and all rights it may have to require that the Premises be sold as separate tracts or units in the event of foreclosure. To the full extent permitted by law, Borrower hereby expressly waives any and all rights to redemption and reinstatement under the Act, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Borrower and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Borrower and such other persons are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Borrower agrees that, by invoking or utilizing any applicable law or laws or otherwise, it will not hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Lender, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Borrower hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note. If the Borrower is a trustee, Borrower represents that the provisions of this Paragraph 22 (including the waiver of redemption rights) were made at the express direction of Borrower's beneficiaries and the persons having the power of direction over Borrower and are made on behalf of the trust estate of Borrower and all beneficiaries of Borrower, as well as all other persons named above. Borrower acknowledges that the Premises do not constitute agricultural real estate as defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act.

23. **Lender's Performance of Borrower's Obligations.** In case of Default, either before or after acceleration of the Indebtedness or the foreclosure of the lien hereof, Lender may, but shall not be required to, make any payment or perform any act herein required of Borrower (whether or not Borrower is personally liable therefor) in any manner deemed expedient to Lender. Lender may, but shall not be required to, complete construction, furnishing and equipping of the Improvements and rent, operate and manage the Premises and the Improvements and pay operating costs, including management fees, of every kind in connection therewith, so that the Premises shall be useable for their intended purposes. All such monies paid and expenses incurred, including attorneys' fees, shall be so much additional Indebtedness, whether or not the Indebtedness, as a result thereof, shall exceed the face amount of the Note, and shall become immediately due with interest thereon at the Default Rate. Inaction of Lender shall never be considered as a waiver of any right accruing to it on account of any Default nor shall the provisions of this Paragraph or any exercise by Lender of its rights hereunder prevent any default from constituting a Default. Lender, in making any payment hereby authorized (a) relating to Taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the Premises or the rental, operation or management of the Premises or the payment of operating costs thereof, may do so in such amounts and to such persons as Lender may deem appropriate. Nothing contained herein shall be construed to require Lender to advance monies for any purpose.

24. **Rights Cumulative.** Each right herein or in any of the other Loan Documents conferred upon Lender is cumulative and in addition to every other right provided by law or

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in equity, and Lender may exercise each such right in any manner deemed expedient to Lender. Lender's exercise or failure to exercise any right shall not be deemed a waiver of that right or any other right or a waiver of any default. Except as otherwise specifically required herein, Lender is not required to give notice of its exercise of any right given to it by this Mortgage.

25. Successors and Assigns.

25.1 Holder of the Note. This Mortgage and each provision hereof shall be binding upon Borrower and its successors and assigns (including, without limitation, each and every record owner from time to time of the Premises or any other person having an interest therein), and shall inure to the benefit of Lender and its successors and assigns. Wherever herein Lender is referred to, such reference shall be deemed to include the holder from time to time of the Note; and each such holder of the Note shall have all of the rights afforded hereby, and may enforce the provisions hereof, as fully as if Lender had designated such holder of the Note herein by name.

25.2 Covenants Run With Land; Successor Owners. All of the covenants of this Mortgage shall run with the Land and be binding on any successor owners of the Land. If the ownership of Premises or any portion thereof becomes vested in a person other than Borrower, Lender, without notice to Borrower, may deal with such person with reference to this Mortgage and the Indebtedness in the same manner as with Borrower without in any way releasing Borrower from its obligations hereunder. Borrower will give immediate written notice to Lender of any conveyance, transfer or change of ownership of the Premises, but nothing in this Paragraph shall vary the effectiveness of the provisions of Paragraph 15 hereof.

26. Effect of Extensions and Amendments. If the payment of the Indebtedness, or any part thereof, is extended or varied, or if any part of the security or guarantees therefor are released, all persons now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability, and the lien, and all provisions hereof, shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by Lender, notwithstanding any such extension, variation or release. Any person, firm or corporation taking a junior mortgage, or other lien upon the Premises or any part thereof or any interest therein, shall take said lien subject to the rights of Lender to amend, modify, extend or release the Note, this Mortgage or any other Loan Document, in each case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

27. Environmental Matters. Borrower represents that it is currently in compliance with, and covenants and agrees that it will manage and operate the Premises and will cause each tenant to occupy its demised portion of the Premises in compliance with, all federal, state and local laws, rules, regulations and ordinances regulating, without limitation, air pollution, soil and water pollution, and the use, generation, storage, handling or disposal of hazardous or toxic substances or other materials (including, without limitation, raw materials, products, supplies or wastes). Borrower further covenants and agrees that it shall not install or permit to be installed in the Premises asbestos or any substance containing asbestos and deemed hazardous by or in violation of federal, state or local laws, rules, regulations or orders respecting such material. Borrower shall remove from the Premises and dispose of any such hazardous or toxic substances or other materials in a manner consistent with and in compliance with applicable laws, rules, regulations and ordinances and shall take any and all other action to remedy,

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rectify, rehabilitate and correct any violation of any applicable law, rule, regulation or ordinance concerning toxic or hazardous substances or any violation of any agreement entered into between Borrower, Lender and/or any third party with respect to hazardous or toxic materials. Borrower shall send to Lender within five (5) days of receipt thereof, any citation, notice of violation or other notice of potential liability from any governmental or quasi-governmental authority empowered to regulate or oversee any of the foregoing activities. Borrower agrees to indemnify, defend with counsel reasonably acceptable to Lender (at Borrower's sole cost), and hold Lender harmless against any claim, response or other costs, damages, liability or demand (including, without limitation, reasonable attorneys' fees and costs incurred by Lender) arising out of any claimed violation by Borrower of any of the foregoing laws, regulations or ordinances or breach of any of the foregoing covenants or agreements. The foregoing indemnity shall survive repayment of the Indebtedness.

28. Leases and Rents.

28.1 All future Leases for all or any portion of the Premises are and shall be subject to the prior approval of Lender, and Borrower shall not amend, modify, extend, renew, terminate, surrender or cancel any Lease in any respect without the prior written consent of Lender, which consent shall not be unreasonably withheld.

28.2 So long as no Default shall have occurred under this Mortgage, Borrower shall have the right to collect all of the rents arising from the Leases, or renewals hereof, and shall hold the same, in trust, to be applied first to the payment of all impositions, levies, taxes, assessments and other charges upon the Premises, secondly to the cost of the maintenance of insurance Policies upon the Premises required hereby, thirdly to the maintenance and repairs required hereby and lastly to the payment of the Indebtedness then due and payable, before using any part of the rents for any other purposes.

29. Expenses. Borrower shall be responsible for payment of all costs incurred by Lender in connection with the making of the Loan, the preparation, execution and delivery of the Loan Documents, the day to day enforcement of the Loan Documents and the enforcement of any rights or remedies of Lender thereunder, including, without limitation, attorneys' fees and costs, consultants fees and costs, recording fees, title premiums and appraisal fees.

30. Deposit Accounts. Beneficiary agrees to maintain, and to cause Van Ru Credit Corporation and Albert Rubin to maintain, substantially all of the banking accounts and relationships of Beneficiary, including all depository and disbursement accounts, with Lender at all times during the term of the Loan. Beneficiary further agrees to maintain average available demand deposit balances on a monthly basis sufficient (calculating such balances using a competitive earnings credit rate) to cover Lender's bank services, and in the event that Beneficiary fails to maintain such compensating balances, Beneficiary agrees to pay Lender for such bank services at Lender's customary rates which shall be paid to the Lender on demand.

31. Future Advances. At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures as part of the Indebtedness the payment of all loan commissions, service charges, liquidated damages, attorneys' fees, expenses and advances due to or incurred by Lender in connection with the Indebtedness, all in accordance with the Note, this Mortgage, and the other Loan Documents; provided, however, that in no event shall the

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total amount of the Indebtedness, including loan proceeds disbursed plus any additional charges, exceed two hundred percent (200%) of the face amount of the Note.

32. Execution of Separate Security Agreements, Financing Statements, etc.; Estoppel Letter. Borrower will do, execute, acknowledge and deliver all such further acts, conveyances, notes, mortgages, security agreements, financing statements and assurances as Lender shall require for the better assuring, conveying, mortgaging, assigning and confirming unto Lender all property mortgaged hereby or property intended so to be, whether now owned by Borrower or hereafter acquired. Without limitation of the foregoing, Borrower will assign to Lender, upon request, as further security for the Indebtedness, its interests in all agreements, contracts, licenses and permits affecting the Premises, such assignments to be made by instruments satisfactory to Lender, but no such assignment shall be construed as a consent by the Lender to any agreement, contract, license or permit or to impose upon Lender any obligations with respect thereto. From time to time, Borrower will furnish within five (5) days after Lender's request a written and duly acknowledged statement of the Indebtedness and whether any alleged offsets or defenses exist against the Indebtedness.

33. Subrogation. If any part of the Indebtedness is used directly or indirectly to satisfy, in whole or in part, any prior encumbrance upon the Premises or any part thereof, then Lender shall be subrogated to the rights of the holder thereof in and to such other encumbrance and any additional security held by such holder, and shall have the benefit of the priority of the same.

34. Option to Subordinate. At the option of Lender, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases of all or any part of the Premises upon the execution by Lender and recording thereof, at any time hereafter, in the Office of the Recorder of Deeds for the county wherein the Premises are situated, of a unilateral declaration to that effect.

35. Governing Law. The place of negotiation, execution and delivery of this Mortgage and the location of the Property being the State of Illinois, this Mortgage shall be construed and enforced according to the laws of that State, without reference to the conflicts of law principles of that State. If any provision in this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act. If any provision of this Mortgage shall grant to Lender any rights or remedies upon default of the Borrower which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of said provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law.

36. Business Loan. The proceeds of the Note will be used for the purposes specified in Ill. Rev. Stat. ch. 17, para. 6404 (1987), 815 ILCS 205/4 (1992), and the principal obligation secured hereby constitutes a "business loan" coming within the definition and purview of said section.

37. Inspection of Premises and Records. Borrower shall keep full and correct books and records showing in detail the income and expenses of the Premises. Lender and its

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agents shall have the right to inspect the Premises and all books, records and documents relating thereto at all reasonable times.

38. **Financial Statements.** Borrower, within ninety (90) days after the end of each fiscal year of Beneficiary, will furnish to Lender financial and operating statements of the Premises for such fiscal year, including, but without limitation, a balance sheet and supporting schedules, detailed statement of income and expenditures and supporting schedules, all prepared in accordance with generally accepted principles of accounting consistently applied. Such financial and operating statements shall be prepared and certified in such manner as may be acceptable to Lender, and Lender, by notice in writing to Beneficiary, may require that the same be certified and prepared pursuant to audit, by a firm of independent certified public accountants satisfactory to Lender, in which case such accountants shall state whether, during the course of their audit, they discovered or became aware of any information which would lead them to believe that a Default exists. Beneficiary shall also deliver to Lender upon the execution and delivery of this Mortgage and thereafter from time to time as Lender may reasonably request, current financial statements of Beneficiary and any of Beneficiary's officers or other related persons or entities reasonably requested by Lender, including, without limitation, Pegasus Data Systems, Albert G. Rubin & Associates, Ltd., Van Ru Credit Corporation (both quarterly and annual financial statements) and Albert G. Rubin.

39. **No Joint Ventures.** Borrower acknowledges that the relationship between the parties is that of mortgagor and mortgagee and that in no event shall Lender be deemed to be a partner or joint venturer with Borrower. Lender shall not be deemed to be such a partner or joint venturer by reason of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or any other of the Loan Documents.

40. **Time of the Essence.** Time is of the essence of the Note, this Mortgage, and the other Loan Documents.

41. **Captions and Pronouns.** The captions and headings of the various sections of this Mortgage are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and the masculine, feminine and neuter shall be freely interchangeable.

42. **Separability.** If all or any portion of any provision of this Mortgage or the other Loan Documents shall be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof, and such provision shall be limited and construed in such jurisdiction as if such invalid, illegal or unenforceable provision or portion thereof were not contained herein or therein.

43. **Notices.** Any notice or other communication which any party hereto may desire or may be required to give to any other party hereto shall be in writing, and shall be deemed given (i) when personally delivered, (ii) upon receipt if sent by a nationally recognized overnight courier addressed to a party at its address set forth below, or (iii) on the second business day after being deposited in United States registered or certified mail, postage prepaid, addressed to a party at its address set forth above, or to such other address as the party to receive such notice may have designated to all other parties by notice in accordance herewith:

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If to Lender: American National Bank and Trust Company
of Chicago
33 North LaSalle Street
Chicago, Illinois 60690
Attention: Mark T. Witt

with a copy to: Rudnick & Wolfe
203 North LaSalle Street, Suite 1800
Chicago, Illinois 60601
Attention: Robert I. Wertheimer, Esq.

If to Borrower: American National Bank and Trust Company
of Chicago
33 North LaSalle Street
Chicago, Illinois 60690
Attention: Land Trust Department

with a copy to: VRC Credit Services, Inc.
10024 Skokie Boulevard
Skokie, Illinois 60077
Attention: Albert Rubin

with a copy to: Edgar A. Blumenfeld, Ltd.
134 North LaSalle Street, Suite 1920
Chicago, Illinois 60602
Attention: Edgar A. Blumenfeld, Esq.

Except as otherwise specifically required herein, notice of the exercise of any right, power or option granted to Lender by this Mortgage is not required to be given.

44. **Jury Trial Waiver.** Borrower waives, to the extent permitted by law, trial by jury in any actions brought by either Borrower or Lender in connection with the Indebtedness.

45. **No Merger.** It is the desire and intention of the parties hereto that this Mortgage and the lien hereof shall not merge in fee simple title to the Premises, unless a contrary intent is ever manifested by Lender as evidenced by an express statement to that effect in an appropriate document duly recorded. Therefore, it is hereby understood and agreed that should Lender acquire any additional or other interests in or to the Premises or the ownership thereof, then this Mortgage and the lien hereof shall not merge in the fee simple title, to-wit: toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

46. **Trustee's Exculpatory Clause.** This Mortgage is executed by the undersigned, not personally, but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Trustee hereby warrants in its individual capacity that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on said Trustee personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, representation, agreement or condition, either express or implied herein contained, or with regard to any warranty contained in this Mortgage except the warranty made in this Paragraph, all such liability, if any, being

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expressly waived by Lender and by every person now or hereafter claiming any right or security hereunder; provided that nothing contained herein shall be construed in any way so as to affect or impair the lien of this Mortgage or Lender's right to the foreclosure thereof, or construed in any way so as to limit or restrict any of the rights and remedies of Lender in any such foreclosure proceedings or other enforcement of the payment of the Indebtedness out of and from the security given therefor in the manner provided herein, or construed in any way so as to limit or restrict any of the rights and remedies of Lender under any other Loan Document.

IN WITNESS WHEREOF, Borrower has caused this Mortgage to be duly signed, sealed and delivered the day and year first above written.

ATTEST:

By: _____

ATTEST:

By: _____

LAND TRUSTEE:

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as Trustee aforesaid

By: _____

Name: _____
Title: _____

BENEFICIARY:

VRC CREDIT SERVICES, INC., an Illinois corporation

By: _____

Name: _____
Title: _____

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STATE OF ILLINOIS)
COUNTY OF Cook) SS.

I, L. M. SOVIENSKI, a Notary Public, in and for said County, in the State aforesaid,

DO HEREBY CERTIFY that L. Michael Whelan, ^{VICE} American National Bank and Trust Company of Chicago, President of _____,

and E. JOHANSEN ASSISTANT Secretary of said corporation, 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 said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth; and said

ASSISTANT Secretary then and there acknowledged that he/she, as custodian of the corporate seal of said corporation, did affix the corporate seal of said corporation to said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

JUN 24 1993

GIVEN under my hand and Notarial Seal, this ____ day of _____, 19__.

L. M. Sovienksi
Notary Public

My Commission expires: _____



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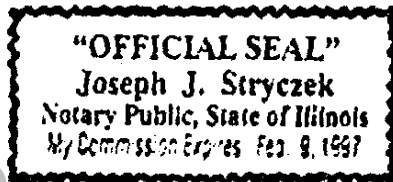
STATE OF ILLINOIS)
COUNTY OF COOK) SS.

I, JOSEPH J STRYCZEK, a Notary Public, in and for said County in the State aforesaid, DO HEREBY CERTIFY that Joseph J. Stryczek, the President & Secretary of VRC CREDIT SERVICES, INC., is 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 and delivered said instrument as his own free and voluntary act of said _____ for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 24th day of JUNE, A.D., 1993.

Joseph J. Stryczek
Notary Public

My Commission Expires:



Property of Cook County Clerk's Office

93491439

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EXHIBIT A

TO

MORTGAGE

THE LAND

LEGAL DESCRIPTION:

Parcel 1: The North 264 feet of the South 528 feet of the East 165 feet of the Northeast fractional quarter of Section 9, Township 41 North, Range 13, East of the Third Principal Meridian (except the East 55 feet thereof, of which the East 40 feet of said East 55 feet was condemned for Cicero Avenue on petition filed July 16, 1930, by Village of Niles Center, in County Court of Cook County, Illinois, as Case 63866, wherein judgment was rendered November 5, 1930, and of which the West 15 feet of said East 55 feet was conveyed by Warranty Deed to the State of Illinois August 5, 1974, for right of way for highway purposes), in Cook County, Illinois

Parcel 2: Lot 1 in North Evanston Harrison Boulevard Subdivision of the East 13.37 acres (except the South 528 feet of the East 165 feet thereof) of the Northeast fractional quarter of Section 9, Township 41 North, Range 13, East of the Third Principal Meridian; also: All of the vacated 16 foot Public Alley lying West of and adjoining said Lot 1, in Cook County, Illinois

Parcel 3: All of the vacated Public Alley lying West of and adjoining the North 264 feet of the South 528 feet of the East 165 feet of the Northeast fractional quarter of Section 9, Township 41 North,, Range 13,, East of the Third Principal Meridian. in Cook County, Illinois

COMMONLY KNOWN AS: 10024 Skokie Boulevard, Skokie, IL 60077 P.I.N. 10-09-204-010; 10-09-204-011; 10-09-204-012; 10-09-204-013; 10-09-204-014; 10-09-204-015; 10-09-204-016; 10-09-204-017; 10-09204-018; 10-09-204-019 and 10-09-204-029