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WHEN RECORDED, RETURN TO:

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MORTGAGE, SECURITY AGREEMENT, FINANCING STATEMENT AND
ASSIGNMENT OF RENTS

#139

THIS MORTGAGE, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF RENTS ("Mortgage") is executed as of September 16, 1993 by LaSalle National Trust, N.A., successor trustee to LaSalle National Bank, not personally, but solely as Trustee under Trust Agreement dated December 24, 1986 and known as Trust No. 111862 (herein called "Mortgagor"), whose address is 135 South LaSalle, Chicago, Illinois 60690 to The Independent Order of Foresters whose address is 789 Don Mills Road, Don Mills, Ontario, Canada M3C 1T9 (such party, together with any holder or holders of all or any part of the "Secured Indebtedness" (as hereinafter defined) shall be referred to herein as "Mortgagee").

ARTICLE I

DEFINITIONS

Section 1.1. As used in this Mortgage, the following terms shall have the meanings indicated, unless the context otherwise requires:

"Beneficiary" shall mean 16000 S. Wabash Limited Partnership, an Illinois limited partnership, the owner and holder of one hundred percent of the beneficial interest in Mortgage.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.), as amended from time to time, including, without limitation, the Superfund Amendments and Reauthorization Act ("SARA").

"Code" shall mean the Uniform Commercial Code, as amended from time to time, in effect in the State where the Land is situated.

"Default" shall have the meaning assigned to such term in Section 6.1.

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"Environmental Law" shall mean any federal, state or local law, statute, ordinance, or regulation pertaining to health, industrial hygiene, or the environmental conditions on, under or about the Mortgaged Property, including but not limited to, CERCLA, SARA and RCRA.

"Hazardous Substance" shall mean one or more of the following substances:

(i) Those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," or "solid waste" in CERCLA, SARA, RCRA, Toxic Substances Control Act, Federal Insecticide, Fungicide, and Rodenticide Act, and the Hazardous Materials Transportation Act (49 U.S.C. Sections 1801 et seq.), and in the regulations promulgated pursuant to said laws;

(ii) Those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto);

(iii) Such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, of the United States government, or which are classified as hazardous or toxic under federal, state, or local laws or regulations; and

(iv) Any material, waste or substance which is:
(A) asbestos; (B) polychlorinated biphenyls; (C) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sections 1251 et seq. (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. §1317);
(D) petroleum or petroleum distillate; (E) explosives; or (F) radioactive materials.

"Improvements" shall mean all buildings, structures and improvements now or hereafter situated on the Land.

"Land" shall mean the tract of real property described upon Exhibit "B" attached hereto together with all easements and other Rights appurtenant thereto.

"Leases" shall mean all present and future leases and agreements, written or oral, for the use or occupancy of any

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portion of the Mortgaged Property, except for agreements for occupancy by nursing home residents, which agreements shall not permit the payment of rentals or other charges more than two months in advance, and any renewals, extensions or substitutions of said leases and agreements and any and all subleases thereunder.

"Lessee" shall mean the lessee, sublessee, tenant or other person having the right to occupy, use or manage the Mortgaged Property, or any part thereof, under a Lease.

"Lien" shall mean any lien, judgment lien, mortgage, deed of trust, mechanic's lien, materialmen's lien, pledge, conditional sale agreement, title retention agreement, financing lease, security interest, collateral assignment of beneficial interest in Mortgagor, or other encumbrance, whether arising by contract or under law.

"Loan Documents" shall mean the Note and this Mortgage, together with all documents, agreements, certificates, affidavits, guaranties, loan agreements, security agreements, deeds of trust, collateral pledge agreements, assignments and contracts representing, evidencing or securing any or all of the Secured Indebtedness or executed in connection therewith.

"Mortgage" shall have the meaning assigned to such term in the preamble hereof.

"Mortgaged Property" shall have the meaning assigned to such term in Section 2.1.

"Mortgagor" shall have the meaning assigned to such term in the preamble to this Mortgage.

"Mortgagor's Successors" shall mean each and all of the heirs executors, administrators, legal representatives, successors and assigns of Mortgagor, both immediate and remote.

"Note" shall mean that certain Promissory Note, dated the date hereof, in the original principal amount of Three Million Six Hundred Fifty Thousand Dollars (\$3,650,000.00), executed by Mortgagor, payable to the order of Mortgagee, and providing that the principal balance thereof shall be due and payable on October 1, 2005, a true copy of which is attached hereto as Exhibit A and made a part hereof.

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"Obligated Party" shall mean Beneficiary, and any guarantor, surety, endorser, partner in Beneficiary or other party (other than Mortgagor) directly or indirectly obligated, primarily or secondarily, for any portion of the Secured Indebtedness.

"Permitted Exceptions" shall mean the exceptions to title described upon Exhibit "C" attached hereto.

"Person" shall mean any land trust, individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other form of entity.

"Personal Property" shall mean all of the following described properties and interests, to the extent now owned or hereafter acquired by Mortgagor or Beneficiary, and all accessories, attachments and additions thereto and all replacements or substitutes therefor and all products and proceeds thereof, and accessions thereto:

(i) All of the property, personal or otherwise, now or hereafter attached to or incorporated into or used in or about the Real Estate, including, without limitation, all fixtures, building materials, inventory, furniture, appliances, furnishings, goods, equipment, and machinery and all other tangible personal property now or hereafter affixed, attached or related to the Real Estate or used in connection therewith;

(ii) All accounts, inventory, instruments, chattel paper, documents, consumer goods, insurance proceeds, surveys, plans and specifications, drawings, permits, licenses, warranties, guaranties, deposits, prepaid expenses, contract rights, and general intangibles now, or hereafter related to, any of the Real Estate;

(iii) All Rents and Leases;

(iv) All general intangibles relating to the development or use of the Real Estate, including but not limited to all governmental permits relating to construction on the Real Estate, all names under or by which the Real Estate may at any time be operated or known, and all rights to carry on the business under any such names or any variant thereof, and all trade-

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marks and goodwill in any way relating to the Real Estate;

(v) All water rights and water stock relating to the Real Estate that is owned by Mortgagor or Beneficiary in common with others, and all documents of membership in any owners' or members' association or similar group having responsibility for managing or operating any part of the Real Estate; and

(vi) All proceeds and claims arising on account of any damage to or taking of the Real Estate or any part thereof, and all causes of action and recoveries for any loss or diminution in the value of the Real Estate and all rights of the Mortgagor or Beneficiary under any policy or policies of insurance covering the Real Estate or any rents relating to the Real Estate and all proceeds, loss payments and premium refunds which may become payable with respect to such insurance policies.

"RCRA" shall mean the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Sections 6901, et seq.), as amended from time to time.

"Real Estate" shall mean the Land and the Improvements.

"Rents" shall mean the rents, income, receipts, revenues, issues and profits now due or which may become due or to which Mortgagor or Beneficiary may now or hereafter become entitled or may demand or claim, arising or issuing from or out of the Leases or from or out of the Mortgaged Property, or any part thereof, including, without limitation, minimum rents, additional rents, percentage rents, common area maintenance charges, parking charges (including monthly rental or parking spaces), tax and insurance premium contributions, and liquidated damages following default, premiums payable by any Lessee upon the exercise of any cancellation privilege provided for in any of the Leases, and all proceeds payable under any policy of insurance covering the loss of rent resulting from untenability caused by destruction or damage of the Mortgaged Property, together with any and all rights and claims of any kind which Mortgagor or Beneficiary may have against any Lessee or against any other occupants of the Mortgaged Property.

"Rights" shall mean rights, remedies, powers, benefits and privileges.

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"Sale" shall mean any sale, transfer, lease or other disposition made pursuant to Subsection 6.2(1).

"Secured Indebtedness" shall have the meaning given such term in Section 3.1.

ARTICLE II

GRANT

Section 2.1. Grant. For good and valuable consideration, including the debt hereinafter described, the receipt and legal sufficiency of which is hereby expressly acknowledged by all parties, Mortgagor does hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN, MORTGAGE AND CONVEY unto Mortgagee, and Mortgagee's successors and assigns, the following described property, subject to the Permitted Exceptions:

(i) The Land, together with (A) the Improvements; (B) all estates, easements, interests, licenses, Rights and titles of Mortgagor in and to the Land and all easements and rights-of-way used in connection with the Land or the Improvements or as a means of ingress to or egress from the Land or the Improvements; (C) all estates, easements, interests, licenses, Rights and titles, if any, of Mortgagor in and to the real estate lying in the streets, roads, alleys, ways, sidewalks, or avenues, open or proposed, in front of, or adjoining, the Land, and in and to any strips or gores of real estate adjoining the Land; (D) all passages, waters, water rights, water courses, riparian rights, other Rights appurtenant to the Land, as well as any after-acquired title, franchise or license, and the reversions and remainders thereof; and (E) all estates, easements, licenses, interests, Rights and titles appurtenant or incident to the foregoing;

(ii) The Personal Property; and

(iii) All other estates, easements, licenses, interests, Rights and titles of every kind and character which Mortgagor now has, or at any time hereafter acquires, in and to the Land, the Improvements, the Personal Property, and all property which is used or useful in connection with the Land, the Improvements, and the Personal Property, including without limitation (A) all proceeds payable in lieu of or as compensation

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for the loss of or damage to any of the foregoing; (B) all awards made by any public body or decreed by any court of competent jurisdiction for a taking or for degradation of value in any eminent domain proceeding involving any of the foregoing; and (C) the proceeds of any and all insurance (including without limitation, title insurance) covering the Land, the Improvements, the Personal Property, and any of the foregoing.

All property and interests described or referred to in Subsections (i), (ii) and (iii) of this Section 2.1, together with any additional interest therein now owned, or hereafter acquired, by Mortgagor, are sometimes hereinafter collectively called the "Mortgaged Property".

TO HAVE AND TO HOLD the Mortgaged Property, together with all and singular the rights, hereditaments, and appurtenances in anywise appertaining or belonging thereto, unto Mortgagee and Mortgagee's successors and assigns forever.

Section 2.2. Covenant of Title. Mortgagor, for Mortgagor and Mortgagor's Successors, hereby agrees to forever defend, all and singular, good and marketable unencumbered fee simple title to the Mortgaged Property unto Mortgagee and Mortgagee's successors and assigns, forever, against every person whomsoever lawfully claiming, or to claim, the same or any part thereof, subject, however, to the Permitted Exceptions. The foregoing covenant of title shall survive the foreclosure of this Mortgage and shall inure to the benefit of and be enforceable by any person who may acquire title to the Mortgaged Property pursuant to such foreclosure.

ARTICLE III

SECURED INDEBTEDNESS

Section 3.1. Secured Indebtedness. This Mortgage, and all Rights, and all titles, interests and Liens created hereby, or arising by virtue hereof, are given to secure payment and performance of the following indebtednesses, liabilities, and obligations (herein collectively called the "Secured Indebtedness"):

- (1) All loans, principal, interest, late charges, fees, premiums, expenses, obligations and liabilities of Mortgagor to Mortgagee arising pursuant to or represented by the Note;

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(ii) All indebtednesses, liabilities, and obligations arising under this Mortgage or under any of the other Loan Documents; and

(iii) Any and all renewals, increases, extensions, modifications, rearrangements, or restatements of the Note or all or any part of the loans, advances, future advances, indebtednesses, liabilities, and obligations described or referred to in Subsections 3.1(i) and 3.1(ii) hereof, together with all costs, expenses, and reasonable attorneys' fees incurred in connection with the enforcement or collection thereof.

ARTICLE IV

REPRESENTATIONS, AND COVENANTS OF MORTGAGOR

Section 4.1. Representations. Mortgagor expressly represents to Mortgagee as follows:

(a) Organization.

(i) Beneficiary. (A) is a limited partnership duly organized and validly existing under Illinois law and (B) has all requisite power and governmental certificates of authority, licenses, permits, qualifications and documentation to own its properties and conduct its business under the laws of the state where the Land is situated.

(ii) Mortgagor: (A) is an Illinois land trust duly organized and validly existing under Illinois law and (B) has all requisite power and governmental certificates of authority, licenses, permits, qualifications and documentation to own its properties and conduct its business under the laws of the state where the Land is situated.

(b) Authority. Mortgagor has full and lawful authority and power, and Mortgagor was directed pursuant to a letter of direction executed by the authorized holders of the power of direction, to execute, acknowledge, deliver, and perform this Mortgage, the Note and the other Loan Documents executed by Mortgagor and such Loan Documents constitute the legal, valid, and binding obligations of Mortgagor and any other party thereto, enforceable against Mortgagor and such other parties in accordance with their

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respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws of general application affecting creditors' rights generally.

(c) Place of Business. Mortgagor's principal place of business, chief executive office, location of its account records and mailing address is set forth in the preamble hereof.

(d) Title. Mortgagor is the lawful record owner of good and marketable title to the Mortgaged Property other than the Personal Property, subject only to the Permitted Exceptions; Beneficiary is the lawful record owner of good and marketable title to the Personal Property; neither Mortgagor nor Beneficiary has previously sold, assigned, transferred or granted a Lien in, and no Liens exist in, the Mortgaged Property, or any part thereof except the Lien hereof and of the other Loan Documents. All portions of the Mortgaged Property have full and free access to and from public streets and utilities' services and connections.

(e) Conflicts. Neither the execution and delivery of the Loan Documents, nor consummation of any of the transactions therein contemplated, nor compliance with the terms and provisions thereof, will contravene or conflict with any provision of law, statute or regulation to which Mortgagor or Beneficiary is subject or any judgment, license, order or permit applicable to Mortgagor or Beneficiary or any indenture, mortgage, deed of trust, agreement or other instrument to which Mortgagor or Beneficiary is a party or by which Mortgagor or Beneficiary or the Mortgaged Property may be bound, or to which Mortgagor or Beneficiary or the Mortgaged Property may be subject, or violate or contravene any provision of the partnership agreement forming Beneficiary.

(f) Information Provided. All reports, statements, financial statements, cost estimates and other data, furnished by or on behalf of Mortgagor, Beneficiary or any Obligated Party including, without limitation, any surveys, as-built plans and specifications, and commitments for title insurance are true and correct in all material respects.

(g) Defaults. No event has occurred and is continuing which constitutes a Default or would, with the lapse of time or giving of notice or both, constitute a Default.

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(h) Taxes. All taxes, assessments and other charges levied against the Mortgaged Property have been paid in full.

(i) Flood Hazards. Except as otherwise disclosed on the plat of survey of the Land prepared by Robert A. Nowicki & Associates, Ltd., dated July 20, 1993 and revised September 14, 1993, neither the Land nor any portion thereof is located within an area that has been designated or identified as an area having special flood hazards by the Secretary of Housing and Urban Development or by such other official as shall from time to time be authorized by federal or state law to make such designation pursuant to the National Flood Insurance Act of 1968, as such act may from time to time be amended, or pursuant to any other national, state, county or city program of flood control.

(j) Performance of Covenants Under Leases. Mortgagor has duly and punctually performed all and singular the terms, covenants, conditions and warranties of the existing Leases on Mortgagor's part to be kept, observed and performed up to the date hereof.

(k) Collection of Advance Rents. Any Rents due for occupancy for any period subsequent to the date hereof have not been collected for more than one (1) month in advance of accrual and payment of any Rents has not otherwise been anticipated, waived, released, discounted, set-off or otherwise discharged or compromised.

(l) No Defaults. No Lessee under any existing Lease is in default of any of the terms thereof.

(m) Homestead. No part of the Mortgaged Property constitutes a part of a business or residential homestead.

(n) Mortgage Loan. The Secured Indebtedness constitutes a loan secured by a mortgage on real estate within the meaning of S.H.A. 815 ILCS 205/4 (or any substitute amended or replacement statutes).

Section 4.2. Covenants. So long as this Mortgage shall remain in effect, Mortgagor covenants and agrees with Mortgagee as follows:

(a) Taxes. Mortgagor will pay, or cause to be paid (not later than ten (10) days before the date upon which such items would become delinquent), all lawful taxes and

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assessments of every character in respect of any of the Mortgaged Property, and will furnish to Mortgagee (not later than ten (10) days prior to the date upon which such taxes or assessments would become delinquent) evidence satisfactory to Mortgagee of the timely payment of such taxes and assessments; provided, however, Mortgagor shall not be required to pay any such tax or assessment if and so long as the amount, applicability or validity thereof is being contested in good faith by appropriate legal proceedings and appropriate cash reserves therefor have been deposited with Mortgagee in an amount equal to the amount being contested, which shall include the tax escrow deposits made hereunder by Mortgagor applicable to the period of any such contest, plus a reasonable additional sum to cover costs, legal fees and expenses, interest and penalties.

(b) Insurance.

(i) Mortgaged Property. Mortgagor will carry insurance with respect to the Mortgaged Property with such insurers, in such amounts and covering such risks as shall be satisfactory to Mortgagee, including, without limitation, insurance against loss or damage by fire, extended coverage, lightning, hail, windstorm, explosion, riot, hazards, casualties, and other contingencies; provided, that in the absence of written direction from Mortgagee, the insurance shall not be less than the full replacement cost of the Improvements and Personal Property located therein or thereon. Such insurance shall be sufficient to prevent Mortgagor from being or becoming a "co-insurer" of the Mortgaged Property and shall include the standard non-contributory mortgage clause.

(ii) Public Liability. Mortgagor will carry liability insurance covering occurrences that may arise in the Mortgaged Property as a result of the operations thereon, with such insurers and in such amounts as shall be acceptable to Mortgagee; and to carry workers' compensation insurance sufficient to meet all statutory requirements, as may be amended from time to time.

(iii) Loss of Rents. Mortgagor will carry insurance covering loss of rents and/or business interruption with respect to the Mortgaged Property for a period of not less than one year.

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(iv) Delivery of Policies. Mortgagor will deliver to Mortgagee each original policy of insurance covering the Mortgaged Property or copies of such policies together with original certificates of such coverage.

(v) Mortgagee as Named Insured; Payment of Insurance Proceeds. Mortgagor will cause all insurance carried by Mortgagor covering the Mortgaged Property to name Mortgagee as an insured and to be payable to Mortgagee as its interest may appear, and, in the case of all policies of insurance carried by each Lessee for the benefit of Mortgagor, Mortgagor will, and will cause each such Lessee to cause all such policies to be payable to Mortgagee as its interest may appear.

(vi) Payment of Premiums; Proof. Mortgagor will pay, or cause to be paid, all premiums for such insurance at least ten (10) days before such premiums become due, to furnish to Mortgagee satisfactory proof of the timely making of such payments; to deliver all renewal policies to Mortgagee at least fifteen (15) days before the expiration date of each expiring policy and Mortgagor will cause such policies to require the insurer to give written notice to Mortgagee of any amendment or termination of any such policy at least thirty (30) days before such termination or amendment is to be effective.

(vii) Review of Values. Upon the written request of Mortgagee, not more than once during each thirty-month period following the date of this Mortgage, Mortgagor will increase the amount of insurance covering the Mortgaged Property to its then full insurable value.

(viii) Notice of Casualty. Mortgagor will immediately deliver written notice to Mortgagee of any casualty loss affecting the Mortgaged Property that would cost more than \$25,000 to repair or replace.

(ix) Flood Insurance. Mortgagor will carry Federal Flood Insurance in the maximum obtainable amount, if the Mortgaged Property, or any portion thereof, is in a "flood plain area as defined by the Federal Insurance Administration pursuant to the Federal Flood Disaster Protection Act of 1973, as amended.

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(x) Professional Liability Insurance. Mortgagor will carry professional liability insurance in such amounts as may be acceptable to Mortgagee.

(c) Compliance with Laws. Mortgagor will comply with all valid governmental laws, ordinances, rules, and regulations applicable to the Mortgaged Property and its ownership, use, and operation, and to comply with all, and not violate any, easements, restrictions, agreements, covenants, and conditions with respect to or affecting the Mortgaged Property, or any part thereof; provided, however Mortgagor shall not be required to comply with such items if and so long as the applicability or validity thereof is being contested diligently in good faith by appropriate legal proceedings and reserves, letters of credit, bonds, title endorsements or other security acceptable to Mortgagee, in an amount reasonably determined by Mortgagee to pay such contested items, together with interest and penalties, if such contest is determined adversely to Mortgagor, have been deposited with Mortgagee or otherwise set aside by Mortgagor in a manner acceptable to Mortgagee.

(d) Condition of Mortgaged Property. Mortgagor (i) will maintain, preserve, and keep the Mortgaged Property in good repair and condition at all times and, from time to time, (ii) will make all necessary and proper repairs, replacements, and renewals, (iii) will complete or repair any Improvements in a good and workmanlike manner, (iv) will not abandon or commit or permit any waste on or of the Mortgaged Property, and (v) will not do anything to the Mortgaged Property that may impair its value.

(e) Payments for Labor and Materials. Mortgagor will pay promptly all bills for labor, materials and equipment incurred in connection with the Mortgaged Property and never to permit to be affixed against the Mortgaged Property, or any part thereof, any Lien, even though inferior to the liens and security interests hereof, for any such bill which may be legally due and payable; provided, however, Mortgagor shall not be required to pay any such bill if the amount, applicability or validity thereof is being contested in good faith by appropriate legal proceedings and Mortgagor has furnished to Mortgagee a bond in form and substance acceptable to Mortgagee with corporate surety satisfactory to Mortgagee or other security satisfactory to Mortgagee, in an amount equal to the amount being contested plus a reasonable additional sum to cover possible costs, legal fees and expenses, interest and penalties, and provided further that

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Mortgagor shall pay any amount adjudged by a court of competent jurisdiction to be due, with all costs, interest and penalties thereon, before such judgment becomes a Lien on the Mortgaged Property, or any part thereof.

(f) Further Assurances. Mortgagor will execute and deliver forthwith to Mortgagee, at any time and from time to time upon request by Mortgagee, any and all additional instruments (including, without limitation, deeds of trust, mortgages, security agreements, assignments and financing statements) and further assurances, and to do all other acts and things at Mortgagor's expense, as may be necessary or proper, in Mortgagee's reasonable opinion, to effect the intent of these presents, to more fully evidence and to perfect, the rights, titles and Liens, herein created or intended to be created hereby and to protect the Rights of Mortgagee hereunder.

(g) Maintenance of Existence: Authority To Do Business. Mortgagor will and will cause Beneficiary to maintain continuously Mortgagor's and Beneficiary's existences and Mortgagor's and Beneficiary's rights to do business in the state where the Real Estate is located under all applicable laws.

(h) Prohibition Against Liens. Without the prior written consent of Mortgagee, except as otherwise provided herein, Mortgagor will not and will not permit Beneficiary to create, incur, permit or suffer to exist in respect of the Mortgaged Property, or any part thereof, any other or additional Lien on a parity with or superior or inferior to the Liens and security interests hereof; provided, however, if any such Lien now or hereafter affects the Mortgaged Property or any part thereof, Mortgagor covenants to timely perform all covenants, agreements and obligations required to be performed under or pursuant to the terms of any instrument or agreement creating or giving rise to such Lien.

(i) Limitation on Dispositions.

(i) Prohibition. Except as permitted below, without the prior written consent of Mortgagee, Mortgagor will not and will not permit Beneficiary to (A) sell, trade, transfer, assign, exchange, or otherwise dispose of the Mortgaged Property, or the beneficial interest in Mortgagor or any part thereof or any interest therein (whether legal or equitable in

nature), except items of Personal Property which have become obsolete or worn beyond practical use and which have been replaced by adequate substitutes having a value equal to or greater than the replaced items when new, or (B) permit the sale, trade, transfer, assignment, pledge, encumbrance, exchange or other disposition of any interest in Mortgagor or Beneficiary or the right to receive distributions or profits from Mortgagor or Beneficiary or the Mortgaged Property, or (C) permit the change in control (by way of transfers of stock ownership, partnership interest, or otherwise) in any corporation or partnership constituting or included within the Mortgagor or Beneficiary which directly or indirectly controls any corporation or partnership constituting or included within the Mortgagor or Beneficiary that results in a material change in the identity of the person(s) in control of such entity, in each case whether any such sale, trade, transfer, assignment, exchange, or other disposition is effected directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise. Mortgagee's consent and the payment of a fee shall not be required in the case of a transfer of a partnership interest in Beneficiary to any partner, general or limited, of Beneficiary, or to any trust on behalf of any presently existing general or limited partner of Beneficiary or to a limited liability company, so long as Abraham J. Stern, Susan Stern, Maurice I. Aaron and/or Ora Aaron, or their respective blood relatives or spouses, shall remain in control of the managing general partners (or managers of a limited liability company or principal shareholders of a corporation) of Beneficiary and shall retain not less than a 51% interest in Beneficiary measured by both percentage of capital and allocation of profits. No transfer described herein shall release Mortgagor or any Obligated Party from its or their obligations and liabilities under the Loan Documents.

(ii) **Permitted Conveyances.** Notwithstanding the provisions of Subsection (i) (i) hereof, Mortgagee shall be deemed to consent to the first sale or transfer of all or any part of the Mortgaged Property by the Mortgagor or all or any part of the beneficial interest in Mortgagor by the Beneficiary (but not by any subsequent Mortgagor or beneficiary of Mortgagor) not otherwise permitted by this Section 4.2(i) (such sale or transfer of the Mortgaged Property or the beneficial interest in

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Mortgagor is herein called an "Initial Sale") provided that and conditioned upon:

(a) Mortgagee shall determine prior to the Initial Sale that the purchaser or transferee (herein called the "Initial Transferee"), the beneficiary of the Initial Transferee if the Initial Transferee is a trust, the general partners of a partnership Initial Transferee or beneficiary of an Initial Transferee, corporate shareholders of a corporate Initial Transferee or beneficiary of an Initial Transferee under the Initial Sale (i) is financially responsible with an acceptable credit history regarding both business and personal credit, (ii) has a minimum net worth of \$5,000,000.00, (iii) has proven experience in the management, leasing and operation of nursing homes in the market where the Mortgaged Property is located, or will hire an experienced and qualified management company acceptable to and previously approved by Mortgagee, (iv) is not a public syndicator or public syndicator, (v) has not been a debtor or principal of a debtor in any bankruptcy proceeding, (vi) has not been convicted of a felony, (vii) is not then under indictment for fraud, racketeering or any other felony, and (viii) resides in the Chicago, Illinois metropolitan area;

(b) The ratio of the then outstanding Secured Indebtedness to the purchase price of the Mortgaged Property (or of the beneficial interest in Mortgagor) shall be no greater than sixty (60%) percent, with the balance of the purchase price to be structured as Permitted Secondary Debt and/or paid in cash at closing;

(c) At the time of the Initial Sale, Income Available for Debt Service (as hereinafter defined) for the immediately preceding two tax years shall equal (i) no less than 160% of the projected aggregate annual payments of principal and interest to be payable on an annual basis upon the Secured Indebtedness, and (ii) no less than 145% of the projected aggregate annual payments of principal and interest to be payable on an annual basis upon the Secured Indebtedness

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plus any Permitted Secondary Debt (hereinafter defined) as though both were fully disbursed; such coverage to be determined by Mortgagee based upon review of the immediately preceding two year's tax records and reasonably anticipated changes. For the purposes hereof, Income Available For Debt Service shall be calculated at the time of a proposed Initial Sale based on actual revenues and expenses made by Mortgagor based upon bona-fide leases of the Mortgaged Property to parties in possession, and revenues derived from the operation of the nursing home upon the Mortgaged Property, for the preceding two tax years, such calculations to be reasonably satisfactory to Mortgagee, for the ensuing twelve (12) month period;

(d) Mortgagor shall:

(i) pay to Mortgagee a processing and transfer fee in an amount equal to 1.0% of the then outstanding principal balance on the Secured Indebtedness; and

(ii) pay to Mortgagee's then servicing agent a fee in an amount equal to 0.25% of the then outstanding principal balance on the Secured Indebtedness to cover credit, document review and related matters;

(iii) pay all of Mortgagee's actual out of pocket expenses paid to third parties, including, but not limited to, payment to Mortgagee's special counsel of all legal fees and disbursements incurred in connection with the processing of the Initial Sale, whether or not consented to by Mortgagee;

(iv) submit to Mortgagee all such evidence as Mortgagee may require to make the determination set forth in Subsection (a) above, including, but not limited to, financial information, current ink-signed financial statements, background data, and financial questionnaires, all in such detail as Mortgagee may reasonably require; and

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(v) at the time of Mortgagor's application for Mortgagee's consent to an Initial Transfer, Mortgagor shall deliver payment of two non-refundable processing fees, each in the amount of \$500.00, one payable to Mortgagee, and the other payable to Mortgagee's then servicing agent; in the event that Mortgagee shall consent to such Initial Transfer, the amounts paid pursuant to this Subsection (v) shall be credited against sums due pursuant to Subsections (i) and (ii);

(e) The Initial Transferee, the beneficiary of the Initial Transferee if the Initial Transferee is a trust, the general partners of a partnership Initial Transferee or beneficiary of an Initial Transferee, corporate shareholders of a corporate Initial Transferee or beneficiary of an Initial Transferee, and such other individuals and/or entities as Mortgagee may require, shall execute and deliver to Mortgagee a Beneficiary's Agreement in form and content acceptable to Mortgagee and substantially in the form of the Beneficiary's Agreement delivered to Mortgagee in connection with the initial disbursement of the Secured Indebtedness containing inter alia, environmental indemnification provisions, together with such other documentation as Mortgagee may reasonably require to insure the enforceability and continued perfection of this Mortgage and other instrument evidencing and securing the Secured Indebtedness;

(f) As a condition of Mortgagee's approval of an Initial Transfer, Mortgagor, at the request of Mortgagee, shall deliver to Mortgagee, at Mortgagor's sole cost and expense, either (i) an environmental audit of the Mortgaged Property or (ii) an update to the environmental audit of the Mortgaged Property delivered to Mortgagee in connection with the initial disbursement of the Secured Indebtedness, which environmental audit or update to environmental audit shall be in form and content acceptable to Mortgagee and be performed by and the report issued by an environmental engineer acceptable to and approved by Mortgagee; and

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(g) No transfer described herein shall release Mortgagor or any Obligated Party from its or their obligations under the Loan documents.

Provided, that the provisions of this Subsection (i)(ii) relate only to one Initial Sale by the Beneficiary and thereafter the provisions of this Subsection (i)(ii) shall be of no further force and effect and shall have no further application; and in the event that any sale or transfer subsequent to an Initial Sale (herein called a "Subsequent Sale") or not otherwise permitted by this Subsection (i)(ii) or by the terms of this Mortgage (herein called a "Non-Permitted Sale") shall have been made, such Subsequent Sale or Non-Permitted Sale shall be a Default hereunder, and Mortgagee may, in its sole discretion, pursue such rights and take such actions as set forth herein as shall accrue to Mortgagee upon such Default, and may modify any and all terms of the Note and of this Mortgage, including, but not limited to, the rate of interest and the maturity date as provided in the Note, the Mortgagee may require as a condition of its consent to any such sale Mortgagor or the transferee under the Subsequent Sale or Non-Permitted Sale to comply with the conditions set forth for an Initial Sale and to pay such processing and transfer fees as Mortgagee shall in its sole discretion determine.

(iii) Permitted Secondary Liens. Notwithstanding the provisions of Subsection (j)(1) hereof, Mortgagee agrees not to unreasonably withhold its consent to secondary liens upon the Mortgaged Property or upon the Beneficial Interest (herein called "Permitted Secondary Liens") securing indebtedness for borrowed money not to exceed One Million Dollars (\$1,000,000) (herein called "Permitted Secondary Debt") in connection with an Initial Sale or other sale consented to by Mortgagee, subject to and provided that:

(a) Permitted Secondary liens shall by their terms be subject and subordinate in all respects to all liens securing the Secured Indebtedness, including, but not limited to, the lien hereof and the lien of the Assignment; the document creating the Permitted Secondary Liens shall specifically so provide; and the lender of the Permitted Secondary Debt (herein called the "Secondary Lender") shall execute a subordination

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agreement in Mortgagee's standard form subordinating the Permitted Secondary Liens to all liens securing the Secured Indebtedness; which subordination agreement shall provide, inter alia, that the lender of the Permitted Secondary Debt shall not take any action (including, but not limited to, naming lessees of the Mortgaged Property as defendants in a foreclosure action) which may result in the cancellation or termination of any of the leases of the Mortgaged Property;

(b) At the time of creation of the Permitted Secondary Liens (i) no Default shall have occurred and then be continuing, and (ii) except for an Initial Sale or other conveyances permitted pursuant to the terms of this Mortgage, (A) Mortgagor shall remain the owner of the Mortgaged Property and (B) the Beneficiary shall remain the sole beneficiary of Mortgagor;

(c) Mortgagor or Beneficiary shall notify Mortgagee in writing prior to the incurring thereof of any proposed Permitted Secondary Debt and Permitted Secondary Liens and shall obtain the consent of Mortgagee thereto, which consent shall not be unreasonably withheld provided that the foregoing provisions and conditions of this Subsection (iii) shall be satisfied and complied with;

(d) Mortgagor shall pay, and the consent of Mortgagee to any such Permitted Secondary Liens shall be conditioned upon (i) the payment to Mortgagee of a non-refundable review and processing fee of \$2,500.00, (ii) the payment to Mortgagee's then servicing agent of a non-refundable fee in an amount equal to 0.25% of the then outstanding principal balance on the Secured Indebtedness to cover review and processing costs and (iii) the payment of all of Mortgagee's actual out of pocket expenses paid to third parties, including, but not limited to, payment to Mortgagee's special counsel of all legal fees and disbursements, incurred in connection with the processing of the Permitted Secondary Liens, whether or not consented to by Mortgagee;

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(e) Interest on the Permitted Secondary Debt shall be at a fixed rate, not in excess of ten (10%) percent per annum, shall be required to be paid by Mortgagee on a current basis and shall be so paid; and

(f) The Permitted Secondary Debt shall be repaid, in full, all Permitted Secondary liens released of record, and evidence thereof satisfactory to Mortgagee shall be delivered to Mortgagee on or prior to September 1, 2005.

(iv) Operation. The provisions hereof shall be operative with respect to, and be binding upon any persons who, in accordance with the terms hereof or otherwise, shall acquire any part or interest in or encumbrance upon the Mortgaged Property, interest in the Mortgagor or interest in the Beneficiary. Any waiver by the Mortgagee of the provisions hereof shall not be deemed to be a waiver of the right of the Mortgagee in the future to insist upon strict compliance with the provisions hereof.

(j) Financial Statements. Mortgagor will deliver to Mortgagee, within ninety (90) days after the end of each calendar year, then-current annual financial statements of Beneficiary and the Mortgaged Property in form and substance acceptable to Mortgagee, certified by a general partner of Beneficiary. At a minimum, such financial statements shall include a balance sheet and income statement for Beneficiary, a report itemizing the income and expenses for the operation of Mortgaged Property, and a current rent roll, all in form and detail as shall be satisfactory to Mortgagee.

(k) Tax on Liens. At any time any law shall be enacted imposing or authorizing the imposition of any tax upon this Mortgage, or upon any rights, titles, liens, or security interests created hereby, or upon the Secured Indebtedness, or any part thereof, Mortgagor will pay immediately all such taxes to the extent permitted by law; provided that, if it is unlawful for Mortgagor to pay such taxes, then Mortgagor shall, if Mortgagee so requires, prepay the Secured Indebtedness in full within sixty (60) days after demand therefor by Mortgagee.

(l) Statement of Balance of Secured Indebtedness. At any time and from time to time, Mortgagor will furnish

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promptly upon request, a written statement or affidavit, in such form as shall be satisfactory to Mortgagee, stating the unpaid balance of the Secured Indebtedness and that there are no offsets or defenses against full payment of the Secured Indebtedness and the terms hereof, or, if there are any such offsets and defenses, specifically describing such offsets to the satisfaction of Mortgagee.

(m) Inspections; Books, Records. During all business hours Mortgagor will allow any representative of Mortgagee to inspect the Mortgaged Property and, to the extent not prohibited by law, all books and records of Mortgagor and Beneficiary, and to the extent not prohibited by law, to make and take away copies of such books and records. Mortgagor and Beneficiary shall maintain complete and accurate books and records in accordance with good accounting practices.

(n) Removal of Personalty. Mortgagor will not cause or permit any of the Personal Property to be removed from the Land, except items of Personal Property which have become obsolete or worn beyond practical use and which have been replaced by adequate substitutes having a value equal to, or greater than, the replaced items when new.

(o) Defend Title. Mortgagor will protect and forever defend title to the Mortgaged Property unto Mortgagee, its successors and assigns, against all persons whomsoever lawfully having or otherwise claiming an interest therein or a lien thereon, but Mortgagee shall have the right, at any time, to intervene in any suit affecting such title and to employ independent counsel in connection with any such suit to which it may be a party by intervention or otherwise; and upon demand Mortgagor agrees to pay Mortgagee all reasonable expenses paid or incurred by Mortgagee in respect of any such suit affecting title to any such property or affecting Mortgagee's lien or rights hereunder, including reasonable fees to Mortgagee's attorneys; and Mortgagor will indemnify and hold harmless Mortgagee from and against any and all costs and expenses, including, but not limited to, any and all cost, loss, damage or liability which Mortgagee may suffer or incur by reason of the failure of the title to all or any part of the Mortgaged Property or by reason of the failure or inability of Mortgagor, for any reason, to convey the rights, titles and interests which this Mortgage purports to mortgage or assign, and all amounts at any time so payable by Mortgagor hereunder shall be secured by the lien hereof and by the said assignment.

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(p) Payment of Expenses. Mortgagor will promptly pay and hold Mortgagee harmless from all appraisal fees, survey fees, recording fees, abstract fees, title policy fees, escrow fees, attorneys' fees and all other costs of every kind incurred by Mortgagee in connection with the Secured Indebtedness, the collection thereof and the exercise by Mortgagee of its rights and remedies hereunder and under the other Loan Documents.

(q) Obligations Under Personal Property. Mortgagor will perform fully all obligations imposed upon it by the agreements and instruments constituting part of the Personal Property and the Leases and maintain in full force and effect all such agreements and instruments.

(r) Notice of Claims. Mortgagor will promptly notify Mortgagee of any claim, action or proceeding affecting any Lease or title to the Mortgaged Property, or any part thereof, or the Liens herein granted.

(s) Leases.

(i) Defense of Actions Respecting Leases. Mortgagor will appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with, the Leases or the obligations, duties or liabilities of Mortgagor and any Lessee thereunder, and, upon request by Mortgagee, shall do so in the name and on behalf of Mortgagee but at the expense of Mortgagor, and Mortgagor shall pay all costs and expenses of Mortgagee, including reasonable attorneys' fees, in any action or proceeding in which Mortgagee may appear.

(ii) Receipt of Future Rents. Mortgagor will not receive or collect any Rents from any of the Leases for a period of more than one (1) month in advance.

(iii) Waivers, Releases of Lessees. Except in the ordinary course of business, Mortgagor will not waive, discount, set-off, compromise, or in any manner release or discharge any Lessee, of and from any obligations, covenants, conditions and agreements by said Lessee to be kept, observed and performed, including the obligation to pay rent in the manner and at the place and time specified in any Lease, or in any manner impair the value of the Mortgaged Property or the security of this Mortgage.

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(iv) Termination of Leases. Except in the ordinary course of business, Mortgagor will not terminate or consent to any surrender of any Lease, or modify or in any way alter the terms thereof, without the prior written consent of Mortgagee, and shall use all reasonable efforts to maintain each of the Leases in full force and effect during the term of this Mortgage.

(v) No Subordination. Mortgagor will not subordinate any Lease to any mortgage or other encumbrance (other than the Lien of this Mortgage), or permit, consent or agree to such subordination.

(vi) Form of Leases, Side Agreements. Unless otherwise consented to in writing by Mortgagee, Mortgagor will (A) obtain Mortgagee's approval as to (1) in the case of residential Leases which are not in substantially the form of Lease currently used by Mortgagor, the form of Lease used by Mortgagor and each proposed change to such form, and (2) in all other cases, the form and substance of each Lease or amendment thereto, (B) deliver to Mortgagee (1) in the case of residential Leases, true and complete copies of each form of Lease, and (2) in all other cases, true and complete copies of the Leases and any amendments thereto, (C) not enter into any oral leases or any side agreements with respect to a Lease with any Lessee, except upon notice to and approval in writing by Mortgagee, (D) not execute any Lease except for actual occupancy by the Lessee thereunder, (E) from time to time upon request of Mortgagee, furnish to Mortgagee a written certification signed by Beneficiary describing all then existing Leases and the names of the tenants and Rents payable thereunder, and (F) not enter into any Lease with Mortgagor, Beneficiary or an affiliate of Beneficiary.

(vii) Notwithstanding anything to the contrary herein contained, Mortgagor and/or Beneficiary may enter into a lease of the Mortgaged Property to an operating corporation, person, entity or management company for the purpose of the maintenance and operation of the Mortgaged Property upon terms and conditions acceptable to Mortgagee; provided however, that any such lessee and/or its principals shall: (A) be financially responsible with an acceptable credit history regarding both business and personal credit, (B) have proven experience in the management, leasing

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and operation of nursing homes in the market where the Mortgaged Property is located, (C) not have been a debtor or principal of a debtor in any bankruptcy proceeding, (D) not then be under indictment for fraud, racketeering or any other felony, (E) not have been convicted of a felony, and (F) reside in the Chicago, Illinois metropolitan area. All leases and rental arrangements from time to time shall be subject to Mortgagee's approval as to form and content and, once approved, such form and content shall not be modified without Mortgagee's prior written approval. No consent by Mortgagee shall be deemed to constitute a subordination of the lien of this Mortgage to any lease; and any such lease shall be subordinate to the lien of this Mortgage. Mortgagee agrees to enter into a subordination, nondisturbance and attornment agreement in Mortgagee's standard form, with a lessee consented to by Mortgagee, provided that such lessee is a third party, arm's length lessee, unaffiliated with Mortgagor, Beneficiary, or any partner or shareholder of Beneficiary. Mortgagor shall pay within ten (10) days all costs incurred by Mortgagee and/or by Mortgagee's servicing agent in connection with the review and approval of any lease or lessee, whether or not approved or consented to by Mortgagee.

(t) Alterations. Mortgagor will make no alterations of any structures in the Mortgaged Property, the cost of which shall exceed Fifty Thousand Dollars (\$50,000) in the aggregate each calendar year, except as required by law or municipal ordinance, without Mortgagee's prior written consent.

(u) Payment of Utilities. Mortgagor will pay promptly all charges for utilities or services related to the Mortgaged Property, including, without limitation, electricity, gas, sewer and water.

ARTICLE V

PROVISIONS REGARDING ENVIRONMENTAL LAWS

Section 5.1. Covenants Regarding Environmental Compliance. Mortgagor covenants and agrees with Mortgagee as follows:

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(a) Hazardous Substance Use, Manufacture. Mortgagor will not use, generate, manufacture, produce, store, release, discharge, or dispose of on, under, or about the Mortgaged Property or transport to or from the Mortgaged Property any Hazardous Substance or allow any other person or entity to do so except under conditions permitted by applicable laws (including all Environmental Laws).

(b) Compliance with Environmental Laws. Mortgagor will keep and maintain the Mortgaged Property in compliance with, and shall not cause or permit the Mortgaged Property to be in violation of, any Environmental Law.

(c) Notices. Mortgagor will give prompt written notice to Mortgagee of:

(i) any proceeding or inquiry by any governmental authority with respect to the presence of any Hazardous Substance on the Mortgaged Property or the migration thereof from or to other property;

(ii) all claims made or threatened by any third party against Mortgagor or the Mortgaged Property relating to any loss or injury resulting from any Hazardous Substance; and

(iii) Mortgagor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Property that could cause the Mortgaged Property or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Mortgaged Property under any Environmental Law, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Mortgaged Property under any Environmental Law.

(d) Filings with Agencies. Mortgagor will provide to Mortgagee, contemporaneously with filing same, copies of all reports, inventories, notices or other forms filed or submitted to the Environmental Protection Agency, or any state or local agency having responsibility for overseeing or enforcing any Environmental Laws.

(e) Legal Proceeding. Mortgagee shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated with respect to the Mortgaged Property in connection with any Environmental Law

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and have Mortgagee's attorneys' fees in connection therewith paid by Mortgagor.

(f) Indemnity. Mortgagor will protect, indemnify and hold harmless Mortgagee, its directors, officers, employees, agents, successors and assigns from and against any and all loss, damage, cost, expense or liability (including attorneys' fees and costs) directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal, or presence of a Hazardous Substance on, under or about the Mortgaged Property whether known or unknown, fixed or contingent, occurring prior to the termination of this Mortgage, including, but not limited to: (i) all foreseeable consequential damages; and (ii) the costs of any required or necessary repair, cleanup or detoxification of the Mortgaged Property and the preparation and implementation of any closure, remedial or other required plans. This indemnity shall survive the release of the lien of this Mortgage, or the extinguishment of the lien by foreclosure or action in lieu thereof, and this covenant shall survive such release or extinguishment.

(g) Remedial Work. In the event that any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work of any kind or nature (the "Remedial Work") is reasonably necessary under any applicable local, state or federal law or regulation, any judicial order, or by any governmental entity because of, or in connection with, the current or future presence or release of a Hazardous Substance in or into the air, soil, ground water, surface water or soil vapor at, on, about, under or within the Mortgaged Property (or any portion thereof), Mortgagor will within such period of time as may be required under any applicable law, regulation, order or agreement, commence and thereafter diligently prosecute to completion, all such Remedial Work. All Remedial Work shall be performed by competent contractors. All costs and expenses of such Remedial Work shall be paid by Mortgagor including, but not limited to, Mortgagee's reasonable attorneys' fees and costs incurred in connection with such Remedial Work. In the event Mortgagor shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Mortgagee may, but shall not be required to, cause such Remedial Work to be performed and all costs and expenses thereof, or incurred in connection therewith, shall become part of the indebtedness secured hereby.

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Section 5.2. Representations Relating to Environmental Matters. Mortgagor represents to Mortgagee that:

(a) No Existing Violation. Neither the Mortgaged Property nor the Mortgagor is in violation of or subject to any existing, pending or threatened investigation by any governmental authority under any Environmental Law.

(b) No Permits Required. Mortgagor has not and is not required by any Environmental Law to obtain any permits or license to construct or use any improvements, fixtures or equipment forming a part of the Mortgaged Property.

(c) Previous Uses. Mortgagor or its environmental advisors has made diligent inquiry into previous uses and ownership of the Mortgaged Property, and after such inquiry has determined to the best of its knowledge that no Hazardous Substance has been disposed of or released on or to the Mortgaged Property.

(d) Use by Mortgagor. Mortgagor's prior, current and intended future use of the Mortgaged Property will not result in the disposal or release of any Hazardous Substance on or to the Mortgaged Property except as permitted by applicable law.

(e) Underground Storage. No underground storage tanks, whether or not containing any Hazardous Substances, are located on or under the Mortgaged Property.

Section 5.3 Environmental Risk Assessment. At any time that Mortgagee reasonably believes that Hazardous Substances have been disposed of on, or have been released to or from the Mortgaged Property, or at any time after a Default hereunder, within thirty (30) days after a written request therefor by Mortgagee, Mortgagor shall deliver to Mortgagee an environmental audit prepared at Mortgagor's cost and expense by an environmental consultant acceptable to Mortgagee, detailing the results of an environmental investigation of the Mortgaged Property, including an inspection of and results of soil and ground water samples.

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ARTICLE VI

RESPECTING DEFAULTS AND REMEDIES OF Mortgagee

Section 6.1. Defaults. The term "Default," as used herein, shall mean the occurrence of any one or more of the following conditions or events:

(a) Defaults in Loan Documents. A default or event of default as such terms are defined in the Note or any of the other Loan Documents.

(b) Payment. The failure of Mortgagor to pay the Secured Indebtedness, or any part thereof, within ten (10) days after the date it becomes due in accordance with the terms of the Note or any other Loan Documents or when accelerated pursuant to any power to accelerate contained in this Mortgage or any of the other Loan Documents.

(c) Covenants. The failure of Mortgagor or any Obligated Party to perform punctually and properly any covenant, agreement, obligation, or condition contained in any of the Loan Documents to which such Person is a party and the continuation of such failure for a period of fifteen (15) days after written notice thereof from Mortgagee to Mortgagor.

(d) Representations and Warranties. Any statement, representation, or warranty in any of the Loan Documents is false, misleading, or erroneous in any material respect.

(e) Condemnation or Eminent Domain. Condemnation or taking by eminent domain of all or any material part (as determined by Mortgagee in its sole discretion) of the Mortgaged Property.

(f) Voluntary Bankruptcy. Mortgagor or any Obligated Party shall (i) apply for or consent to the appointment of a receiver, trustee, custodian, intervenor or liquidator of such Person or of all or a substantial part of such Person's assets, (ii) file a voluntary petition in bankruptcy, admit in writing that such Person is unable to pay such Person's debts as they become due or generally not pay such Person's debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) file a petition or answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy or insolvency laws, (v) file an answer admitting the material allegations of, or consent to, or default in answering, a petition filed

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against such Person in any bankruptcy, reorganization or insolvency proceeding, or (vi) take any action for the purpose of effecting any of the foregoing.

(g) Involuntary Bankruptcy. An involuntary petition or complaint shall be filed against Mortgagor or any Obligated Party seeking bankruptcy or reorganization of such Person or the appointment of a receiver, custodian, trustee, intervenor or liquidator of such Person, or of all or substantially all of such Person's assets, and such petition or complaint shall not have been dismissed within forty-five (45) days of the filing thereof; or a final, unappealable order, order for relief, judgment or decree shall be entered, and the time for timely filing an appeal therefrom shall have expired, by any court of competent jurisdiction or other competent authority approving a petition or complaint seeking reorganization of such Person or appointing a receiver, custodian, trustee, intervenor or liquidator of such Person, or of all or substantially all of such Person's assets.

(h) Payment of Judgments. The failure of Mortgagor or any Obligated Party to pay any money judgment against such Person within ten (10) days after such judgment becomes final and no longer appealable, except for any judgment for which the insurance companies insuring such Mortgagor or Obligated Parties have accepted coverage, and evidence of such insurance coverage shall be delivered to Mortgagee.

(i) Attachment. The failure to have discharged within a period of ten (10) days after the commencement thereof any attachment, sequestration, or similar proceedings against any of Mortgagor's or any Obligated Party's assets.

(j) Priority of Liens. Mortgagee's Liens created hereby or by the other Loan Documents should become unenforceable, or cease to be first priority Liens.

(k) Value of Mortgaged Property. The outstanding Secured Indebtedness at the time of any appraisal shall exceed Seventy Five Percent (75%) of then appraised value of the Mortgaged Property obtained from time to time upon notice from Mortgagee, determined by three independent M.A.I. appraisers, one appointed by Mortgagee and one appointed by Mortgagor (such appraiser to be appointed within ten days after notice from Mortgagee). The third appraiser shall be selected by the appointed appraisers. If Mortgagor shall fail to timely appoint an appraiser, the

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appraiser appointed by Mortgagee shall select the second appraiser. If the two appraisers so determined shall be unable to agree upon the selection of a third appraiser within ten days after the last appraiser shall have been appointed, then either appraiser, on behalf of both, may request such appointment by the presiding Judge of any United States District Court for the Northern District of Illinois. The Mortgaged Property's appraised value shall be the average of the valuations of the Mortgaged Property determined by such appraisers, provided, however, if any such appraiser's valuation deviates more than Ten Percent (10%) from the median of such valuations, the Mortgaged Property's appraised value shall be the average of the two closest valuations. Mortgagor and Mortgagee shall each bear the cost of the appraiser designated by (or for) such party, and the cost of the third appraiser shall be borne equally by Mortgagor and Mortgagee, except that if at the time the appraisal is requested and continuing through the date on which the appraisal is delivered, a Default shall exist or any fact or circumstance which with the giving of notice or the passage of time would constitute a Default shall have occurred, or if the outstanding Secured Indebtedness at the time of such appraisal shall exceed Seventy Five Percent (75%) of the appraised value of the Mortgaged Property, Mortgagor shall pay the entire cost of the three appraisers. All sums payable by Mortgagor hereunder shall be paid within ten days of notice, and if not paid, shall bear interest at the default rate set forth in the Note until paid. The appraisal shall be submitted to Mortgagee within thirty (30) days after the panel of appraisers is constituted.

Section 6.2. Remedies. Upon the occurrence of a Default, Mortgagee may, at Mortgagee's option, do any one or more of the following:

(a) Acceleration. Mortgagee may, without notice, demand, presentment, notice of intention to accelerate or acceleration, protest or notice of protest, all of which are hereby waived by Mortgagor and all Obligated Parties, declare the entire unpaid balance of the Secured Indebtedness immediately due and payable, and upon such declaration the entire unpaid balance of the Secured Indebtedness shall be immediately due and payable.

(b) Foreclosure of Lien. Mortgagee may foreclose the Lien created by this Mortgage for the Secured Indebtedness, or any part thereof, by instituting a foreclosure suit in any court having jurisdiction, pursuant to the laws of the

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State of Illinois in such case made and provided, and sell the Mortgaged Property or cause the same and all estate, right, title, interest, claim and demand of Mortgagor therein to be sold at one or more public sales as an entirety or in parcels at the option of Mortgagee, with such elements of real and/or personal property (and to the extent permitted by such laws, may elect to deem all of the Mortgaged Property to be real property for the purposes thereof) at such time or place and upon such terms as Mortgagee may deem expedient, or as may be required by such laws, and in such event of a sale, by foreclosure or otherwise, of less than all of the Mortgaged Property, this Mortgage shall continue as a lien and security interest on the remaining portion of the Mortgaged Property. Mortgagor hereby waives all right to an appraisal allowed under any such laws, which appraisal may be obtained at the option of Mortgagee.

(c) Legal Proceedings. Without limiting the provisions of Subsections (a) and (b) above, Mortgagee may proceed by suit or suits, at law or in equity, to enforce the payment and performance of the Secured Indebtedness against any Person in accordance with the terms hereof or of the other Loan Documents, or foreclose or otherwise enforce the assignments, Liens, and security interests created or evidenced by the other Loan Documents, or this Mortgage as against all, or any part of, the Mortgaged Property, and to have all or any part of the Mortgaged Property sold under the judgment or decree of a court of competent jurisdiction.

(d) Appointment of Receiver. To the extent permitted by law, Mortgagee shall be entitled to the appointment of a receiver or receivers of the Mortgaged Property, or any part thereof, and of the income, rents, issues, and profits thereof, and Mortgagor hereby expressly consents to any such appointment.

(e) Possession. To the extent permitted by law, Mortgagee may enter upon the Land, take possession of the Mortgaged Property and remove the Personal Property or any part thereof, with or without judicial process, and, in connection therewith, without any responsibility or liability, including, without limitation, liability for consequential damages of any kind on the part of Mortgagee, and Mortgagee may take possession of any property located on or in the Real Estate which is not a part of the Mortgaged Property and hold or store such property at Mortgagor's expense.

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(f) Performance of Covenants. If Mortgagor has failed to keep or perform any covenant whatsoever contained in the Loan Documents or in the Leases, Mortgagee may, but shall not be obligated to, perform or attempt to perform said covenant, and any payment made or expense incurred in the performance or attempted performance of any such covenant shall be a part of the Secured Indebtedness, and Mortgagor promises, upon demand, to pay to Mortgagee all sums so advanced by Mortgagee, with interest at the default rate set forth in the Note from the date when paid by Mortgagee. No such payment by Mortgagee shall constitute a waiver of any Default. In addition to the liens and security interests hereof, Mortgagee shall be subrogated to all Liens securing the payment of any debt, claim, tax, or assessment which Mortgagee may pay.

(g) Right to Make Repairs, Improvements. Should any part of the Mortgaged Property come into the possession of Mortgagee, whether before or after Default, Mortgagee may use, operate, and/or make repairs, alterations, additions and improvements to the Mortgaged Property for the purpose of preserving it or its value. Mortgagor covenants to promptly reimburse and pay to Mortgagee, at the place where the Note is payable, or at such other place as may be designated by Mortgagee in writing, the amount of all reasonable expenses (including the cost of any insurance, taxes, or other charges) incurred by Mortgagee in connection with its custody, preservation, use or operation of the Mortgaged Property, together with interest thereon from the date incurred by Mortgagee at the then current rate of interest applicable to the principal balance of the Note, and all such expenses, cost, taxes, interest, and other charges shall be a part of the Secured Indebtedness. It is agreed, however, that the risk of accidental loss or damage to the Mortgaged Property is undertaken by Mortgagor, and, except for Mortgagee's willful misconduct or gross negligence, Mortgagee shall have no liability whatsoever for decline in value of the Mortgaged Property, for failure to obtain or maintain insurance, or for failure to determine whether any insurance ever in force is adequate as to amount or as to the risks insured.

(h) Surrender of Insurance. Mortgagee may surrender the insurance policies maintained pursuant to the terms hereof, or any part thereof, and receive and apply the unearned premiums as a credit on the Secured Indebtedness, and, in connection therewith, Mortgagor hereby appoints Mortgagee (or any officer of Mortgagee), as the true and

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lawful agent and attorney-in-fact for Mortgagor (with full powers of substitution), which power of attorney shall be deemed to be a power coupled with an interest and therefore irrevocable, to collect such premiums.

(i) Sale of Personalty. After notification, if any, hereafter provided in this Subsection, Mortgagee may sell, lease, or otherwise dispose of (herein a "Sale"), all or any part of the Personal Property in conjunction with or separately from any sale of the Real Estate. The Personal Property may be sold in its then condition, or following any commercially reasonable preparation or processing, and each Sale may be as a unit or in parcels, by public or private proceedings, and by way of one or more contracts, and, at any Sale it shall not be necessary to exhibit the Personal Property being sold. In order to dispose of the Personal Property Mortgagee may advertise the Personal Property for sale under any and all trade names or service names attached to, fixed upon or made part of, any of the Personal Property. The Sale of any part of the Personal Property shall not exhaust Mortgagee's power of Sale, but Sales may be made, from time to time, until the Secured Indebtedness is paid and performed in full. Reasonable notification of the time and place of any public Sale pursuant to this Subsection, or reasonable notification of the time after which any private Sale is to be made pursuant to this Subsection, shall be sent to Mortgagor and to any other person entitled to notice under the Code; provided, that if the Personal Property being sold is perishable, or threatens to decline speedily in value, or is of a type customarily sold on a recognized market, Mortgagee may sell, lease, or otherwise dispose of such Personal Property without notification, advertisement or other notice of any kind. It is agreed that notice sent or given not less than ten (10) calendar days prior to the taking of the action to which the notice relates, is reasonable notice for the purposes of this Subsection.

(j) Assemble Personal Property. Mortgagee may require Mortgagor to assemble the Personal Property, or any part thereof, and make it available to Mortgagee at a place to be designated by Mortgagee which is reasonably convenient to Mortgagee.

(k) Retention of Personalty. Mortgagee may at its option retain the Personal Property in satisfaction of the Secured Indebtedness whenever the circumstances are such that Mortgagee is entitled to do so under the Code.

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(1) Collection of Personal Property. Mortgagee may, in its own name or the name of Mortgagor, notify any or all parties obligated on any of the Personal Property to make all payments due or to become due thereon directly to Mortgagee, whereupon the power and authority of Mortgagor to collect the same in the ordinary course of its business shall be deemed to be immediately revoked and terminated. With or without such general notification, Mortgagee may take or bring in Mortgagor's name or that of Mortgagee all steps, actions, suits or proceedings deemed by Mortgagee necessary or desirable to effect possession or collection of the Personal Property, including sums due or paid thereon, may complete any contract or agreement of Mortgagor in any way related to any of the Personal Property, may make allowances or adjustments related to the Personal Property, may compromise any claims related to the Personal Property, may issue credit in its own name or the name of Mortgagor, may remove from Mortgagor's premises all documents, instruments, records, files or other items relating to the Personal Property, and Mortgagee may, without cost or expense to Mortgagee, use Mortgagor's personnel, supplies and space to take possession of, administer, collect and dispose of the Personal Property. Regardless of any provision hereof, however, Mortgagee shall never be liable for its failure to collect or for its failure to exercise diligence in the collection, possession, or any transaction concerning, all or part of the Personal Property or sums due or paid thereon, nor shall it be under any obligation whatsoever to anyone by virtue of this Mortgage, except to account for the funds that it shall actually receive hereunder.

(m) Issuance of Receipts; Endorsements; Power of Attorney. Issuance by Mortgagee of a receipt to any person, firm, corporation or other entity obligated to pay any amounts to Mortgagor shall be a full and complete release, discharge and acquittance to such person, firm, corporation or other entity to the extent of any amount so paid to Mortgagee. Mortgagee is hereby authorized and empowered on behalf of Mortgagor to endorse the name of Mortgagor upon any check, draft, instrument, receipt, instruction or other document or items, including, but not limited to, all items evidencing payment upon any indebtedness of any person, firm, corporation or other entity to Mortgagor coming into Mortgagee's possession, and to receive and apply the proceeds therefrom in accordance with the terms hereof. Mortgagee is hereby granted an irrevocable power of attorney, which is coupled with an interest, to execute all checks, drafts, receipts, instruments, instructions or other docu-

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ments, agreements or items on behalf of Mortgagor, after Default, as shall be deemed by Mortgagee to be necessary or advisable, in the sole discretion of Mortgagee, to protect its security interest in the Personal Property or the repayment of the Secured Indebtedness, and Mortgagee shall not incur any liability in connection with or arising from its exercise of such power of attorney.

(n) Purchase of Personal Property By Mortgagee. Mortgagee may buy the Personal Property, or any part thereof, at any public sale or judicial sale and, if the Personal Property being sold is of a type customarily sold in a recognized market or a type which is the subject of widely distributed standard price quotations, Mortgagee may also buy the Personal Property, or any part thereof, at any private sale.

(o) Foreclosure of Personal Property with Real Property. Notwithstanding anything contained herein to the contrary, pursuant to the Code, Mortgagee may proceed under the Code as to all personal property covered hereby or, at Mortgagee's election, Mortgagee may proceed as to both the real and personal property covered hereby in accordance with Mortgagee's rights and remedies in respect of real property, in which case the provisions of the Code (and Subsection 6.2(i) hereof) shall not apply.

(p) Other Rights. The Mortgage shall constitute a Security Agreement under the Code, and Mortgagee shall have and may exercise the rights of a secured party under the Code and any and all other rights and remedies which Mortgagee may have at law or in equity.

(q) Collect Rents. Mortgagee may terminate the license granted to Mortgagor in Section 7.1 hereof to collect the Rents, and, without taking possession, in Mortgagee's own name, Mortgagee may demand, collect, receive, sue for, attach and levy the Rents, and give proper receipts, releases and acquittance therefor.

(r) Manage Leases. From and after the occurrence of a Default, Mortgagee may make, modify, enforce, cancel or accept the surrender of any Lease, remove or evict any Lessee, increase or reduce rents, decorate, clean and make repairs, and otherwise do any act or incur any costs or expenses that Mortgagee shall deem proper to protect the security hereof, as fully and to the same extent as Mortgagor could do if in possession of the Mortgaged Property.

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Section 6.3. Waste. The failure of the Mortgagor to pay any taxes or assessments against the Mortgaged Property, or any installment thereof, or any premiums payable with respect to any insurance policy covering the Mortgaged Property, shall constitute waste. The Mortgagor further hereby consents to the appointment of a receiver in case of waste should the Mortgagee elect to seek such relief.

Section 6.4. Effect of Foreclosure on Leases; Possession; Tenant at Sufferance. Following foreclosure of this Mortgage, any lease of the Mortgaged Property or a portion thereof shall remain in effect, the purchaser thereby being subrogated to the lessor's interest therein, unless the purchaser elects to treat such lease as terminated by virtue of the sale under Mortgagee's prior Lien. If the assignments, Liens, or security interests hereof shall be foreclosed or otherwise enforced by judicial or non-judicial action, then the purchaser at any such sale shall receive, as an incident to his ownership, immediate possession of that portion of the Mortgaged Property purchased, and if Mortgagor or Mortgagor's Successors or Lessees shall hold possession of any of said portion of the Mortgaged Property subsequent to such foreclosure, Mortgagor and Mortgagor's Successors or Lessees in possession shall be considered as tenants at sufferance of the purchaser at such foreclosure sale, and anyone occupying the Mortgaged Property (or any part thereof) after demand made for possession thereof shall be guilty of forcible detainer and shall be subject to eviction and removal, with or without process of law, and all damages by reason thereof are hereby expressly waived.

Section 6.5. Application of Proceeds. Except as may be otherwise required by law, all amounts received by Mortgagee hereunder shall be applied as follows: FIRST, to the payment of all expenses arising out of or in connection with the Mortgaged Property, the foreclosure thereof, and the collection of the Secured Indebtedness including, without limitation, the commissions, fees and expenses of Mortgagee's attorneys, accountants, real estate brokers, property managers and receivers, and Mortgagee; SECOND, to accrued or unpaid interest on the Secured Indebtedness; THIRD, to principal on the matured portion of the Secured Indebtedness; FOURTH, to prepayment of the unmatured portion, if any, of the Secured Indebtedness applied to installments of principal in inverse order of maturity; and FIFTH, the balance, if any, remaining after the full and final payment and performance of the Secured Indebtedness, to Mortgagor or to such other party entitled thereto.

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Section 6.6. Costs and Expenses. In any suit or proceeding to foreclose the Lien hereof or to realize upon the security for the Secured Indebtedness:

(a) There shall be allowed and included as additional indebtedness constituting part of the Secured Indebtedness, all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs (which may be estimated as to items to be subsequently expended) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title, as the Mortgagee may deem reasonably necessary either to prosecute such proceedings or to evidence to bidders at sales the true conditions of the title to or the value of the Mortgaged Property; and

(b) All expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the Lien of this Mortgage, including the reasonable fees of any attorney employed by the Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Mortgaged Property or the rights of Mortgagee hereunder or as to which Mortgagee may be made a party by virtue of its interest in the Mortgaged Property pursuant to this Mortgage or otherwise, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceedings, shall constitute so much additional Secured Indebtedness and shall be immediately due and payable by the Mortgagor, with interest thereon at the Default Rate specified in the Note.

ARTICLE VII

ASSIGNMENT OF LEASES AND RENTS

Section 7.1. Assignment. Mortgagor does hereby grant, transfer and assign unto Mortgagee (i) the Leases; (ii) any and all guaranties of payment or performance of the obligations of any Lessee; and (iii) the Rents; provided, however, that Mortgagee hereby grants to Mortgagor a license to collect and receive all Rents. Such license shall be revocable by notice from Mortgagee to Mortgagor at any time after the occurrence and during the continuation of a Default.

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Section 7.2. No Liability on Mortgagee. Mortgagee shall not be liable for any loss sustained by Mortgagor resulting from Mortgagee's failure to let the Mortgaged Property, or any part thereof, after Default or from any other act or omission of Mortgagee in managing the Mortgaged Property, or any part thereof. Mortgagee shall not be obligated to perform or discharge, any obligation, duty or liability under the Leases or under or by reason of this Mortgage, and Mortgagor shall indemnify Mortgagee for, and hold Mortgagee harmless from, any and all liability, loss or damage which may or might be incurred under the Leases or under or by reason of this Mortgage, and from any and all claims and demands whatsoever which may be asserted against Mortgagee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should Mortgagee incur any such liability under the Leases or under or by reason of this Mortgage or in defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees shall be secured hereby and Mortgagor shall reimburse Mortgagee therefor immediately upon demand, and upon the failure of Mortgagor to do so Mortgagee may, at its option, declare the Secured Indebtedness immediately due and payable. It is further understood that this Mortgage shall not operate to place responsibility for the control, care, management or repair of the Mortgaged Property upon Mortgagee, or for the carrying out of any of the terms and conditions of the Leases; nor shall it operate to make Mortgagee responsible or liable for any waste committed on the Mortgaged Property by the Lessees or any other parties, or for any dangerous or defective condition of the Mortgaged Property, or for any negligence in the management, upkeep, repair or control of the Mortgaged Property, resulting in loss, injury or death to any Lessee, licensee, employee or stranger.

ARTICLE VIII

SECURITY AGREEMENT

Section 8.1. Grant of Security Interest. Mortgagor hereby transfers, assigns, delivers and grants to Mortgagee a security interest in and right of set-off against the Personal Property as security for payment of the Secured Indebtedness.

Section 8.2. Assignment of Non-Code Personal Property. To the extent that any of the Personal Property is not subject to the Code, Mortgagor hereby assigns to Mortgagee all of Mortgagor's right, title, and interest in and to the Personal Property to secure the Secured Indebtedness, together with the right of set-off with regard to such Personal Property (or any

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part hereof). Release of the lien of this Mortgage shall automatically terminate this assignment.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Release of this Mortgage. If the Secured Indebtedness is paid and performed in full in accordance with the terms of the instruments evidencing the Secured Indebtedness, and if Mortgagor shall well and truly perform all of Mortgagor's covenants contained herein, then this conveyance shall become null and void and be released at Mortgagor's request and expense; otherwise, it shall remain in full force and effect, provided that no release hereof shall impair Mortgagor's covenants and indemnities contained herein.

Section 9.2. Successors. If Mortgagor, or any of Mortgagor's Successors, conveys its interest in any of the Mortgaged Property to any other party, then Mortgagee may, without notice to Mortgagor, or its successors and assigns, deal with any owner of any part of the Mortgaged Property with reference to this Mortgage and the Secured Indebtedness, either by way of forbearance on the part of Mortgagee, or extension of time of payment of the Secured Indebtedness, or release of all or any part of the Mortgaged Property, or any other property securing payment of the Secured Indebtedness, without in any way modifying or affecting Mortgagee's Rights and Liens hereunder or the liability of Mortgagor, or any other party liable for payment of the Secured Indebtedness, in whole or in part.

Section 9.3. Marshaling. Mortgagor hereby waives all Rights of marshaling in the event of any foreclosure of the Liens hereby created.

Section 9.4. Reserve for Taxes and Insurance.

(a) Mortgagor shall create a fund or reserve for the payment of all ground rentals, insurance premiums, taxes, and assessments against the Mortgaged Property by paying to Mortgagee, contemporaneously with each installment of principal and interest on the Note, sums (herein called "Deposits") equal to the rentals payable by Mortgagor to any lessor of the Mortgaged Property, or any part thereof, plus the premiums that will next become due and payable on the hazard insurance policies covering the Mortgaged Property, or any part thereof, plus taxes and assessments next due on the Mortgaged Property, or any part thereof, as estimated by Mortgagee, less all sums paid previously to Mortgagee there-

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for, divided by the number of installments of principal and/or interest to elapse before one month prior to the date when such ground rentals, premiums, taxes, and assessments will become delinquent, such sums to be held by Mortgagee, without interest, for the purposes of paying such ground rentals, premiums, taxes, and assessments. Prior to the occurrence of a Default, Mortgagee shall apply such sums to the payment of such ground rentals, premiums, taxes and assessments upon application of Mortgagor. After the occurrence and during the continuation of a Default, Mortgagee may, in its sole discretion, apply such sums to the payment of such expenses or to the Secured Indebtedness. Any excess reserve shall, at the discretion of Mortgagee, be credited by Mortgagee on subsequent payments to be made on the Secured Indebtedness by Mortgagor, and any deficiency shall be paid by Mortgagor to Mortgagee on or before the date when such ground rentals, premiums, taxes, and assessments, shall have become delinquent.

(b) Notwithstanding the foregoing provisions of this Section 9.4, Deposits, to the extent received by Mortgagee or its servicing agent, shall be placed in an escrow account (herein called the "Deposit Escrow Account"), provided that:

(i) The Deposit Escrow Account and all funds therein shall be and are hereby unconditionally assigned for use in paying the obligations set forth in Section 9.4(a) when payable;

(ii) The Deposit Escrow Account and the funds from time to time therein shall constitute Mortgaged Property and shall be and are hereby assigned and pledged as additional security for the Secured Indebtedness and Mortgagor hereby grants to Mortgagee a security interest therein for said purpose;

(iii) All withdrawals from the Deposit Escrow Account shall be for the purposes intended for Deposits as specified in Section 9.4(a) hereof or applied upon the Secured Indebtedness upon the occurrence of a Default, as provided for in Section 9.4(a);

(iv) So long as no Default shall have occurred, (i) interest, if any, on funds in the Deposit Escrow Account shall accrue to Mortgagor, and (ii) such interest, if any, shall be added to sums in the Deposit Escrow Account; and

(v) At the end of each twelve (12) month period, the first such period commencing on the date of initial

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disbursement of the Secured Indebtedness, Mortgagor shall pay to Mortgagee or its designated servicing agent for managing the Deposit Escrow Account the sum of \$500.00.

Section 9.5. Condemnation and Eminent Domain. Mortgagee shall be entitled to receive any and all sums which may be awarded or become payable to Mortgagor for the condemnation of, or taking upon exercise of the right of Eminent Domain with respect to, any of the Mortgaged Property for public or quasi-public use, or by virtue of private sale in lieu thereof, and any sums which may be awarded or become payable to Mortgagor for damages caused by public works or construction on or near the Mortgaged Property. Mortgagor shall give immediate written notice to Mortgagee of any such proceedings affecting the Mortgaged Property, and shall afford Mortgagee an opportunity to participate in any proceeding or settlement of awards with respect thereto. All such sums are hereby assigned to Mortgagee, and Mortgagor shall, upon request of Mortgagee, make, execute, acknowledge, and deliver any and all additional assignments and documents as may be necessary from time to time to enable Mortgagee to collect and receipt for any such sums. Mortgagee shall not be, under any circumstances, liable or responsible for failure to collect, or exercise diligence in the collection of, any of such sums. Any sums so collected shall be applied by Mortgagee, first, to the expenses, if any, of collection, and then in accordance with Section 6.5 hereof. Notwithstanding the foregoing, if, after such proceedings or private sale in lieu thereof, so long as (a) no Default has occurred and is continuing, (b) such proceeds (together with any other amounts deposited by Mortgagor with Mortgagee) are sufficient to rebuild and restore the Improvements to an architectural and economic unit of the same character and not less valuable than the same was prior to the insured casualty, (c) such rebuilding and restoration can be completed within nine months (but in any event within a period three months shorter than the period covered by rent loss or business interruption insurance) and prior to the maturity of the Note, and (d) the value of the Mortgaged Property after restoration will be the same as or greater than the value of the Mortgaged Property on the date hereof, Mortgagee shall make such proceeds available to rebuild or restore the Improvements in accordance with disbursement procedures set forth in Section 9.6A, or, if such conditions are not met, Mortgagee may apply the same to the Secured Indebtedness in the order and manner set forth in Section 6.5 hereof, whether then matured or to mature in the future, and prior to such application, may deduct therefrom any expenses incurred in connection with the collection or handling of such proceeds, it being understood that Mortgagee shall not be, under any circumstances, liable, or responsible for failure to collect, or exercise diligence in the collection of, any of such proceeds. Any

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sums remaining after completion of restoration shall be applied in accordance with Section 6.5.

Section 9.6. Insurance Proceeds. Mortgagee is authorized and empowered to collect and receive the proceeds of any and all insurance that may become payable with respect to any of the Mortgaged Property. In the event the Mortgaged Property or any portion thereof is destroyed or damaged and so long as (a) no Default has occurred and is continuing, (b) such proceeds (together with any other amounts deposited by Mortgagor with Mortgagee) are sufficient to rebuild and restore the Improvements to an architectural and economic unit of the same character and not less valuable than the same was prior to the insured casualty, (c) such rebuilding and restoration can be completed within nine months (but in any event within a period three months shorter than the period covered by rent loss or business interruption insurance) and prior to the maturity of the Note, and (d) the value of the Mortgaged Property after restoration will be the same as or greater than the value of the Mortgaged Property on the date hereof, Mortgagee shall make such proceeds available to rebuild or restore the Improvements in accordance with disbursement procedures set forth in Section 9.6A, or, if such conditions are not met, Mortgagee may apply the same to the Secured Indebtedness in the order and manner set forth in Section 6.5 hereof, whether then matured or to mature in the future, and prior to such application, may deduct therefrom any expenses incurred in connection with the collection or handling of such proceeds, it being understood that Mortgagee shall not be, under any circumstances, liable, or responsible for failure to collect, or exercise diligence in the collection of, any of such proceeds.

Section 9.6A. Disbursement of Insurance Proceeds and Eminent Domain Condemnation Awards. In the event the Mortgagor is entitled to reimbursement out of insurance proceeds or any eminent domain or condemnation award held by the Mortgagee, such proceeds shall be disbursed from time to time through a title insured construction escrow upon the Mortgagee being furnished with satisfactory evidence of the estimated cost of completion of the restoration, with funds (or assurances satisfactory to the Mortgagee that such funds are available) sufficient in addition to the proceeds of insurance or such award, to complete the proposed restoration and with such architect's certificates, waivers of lien, contractor's sworn statements and such other evidence of costs and payments as the Mortgagee may reasonably require and approve; and the Mortgagee may, in any event, require that all plans and specifications for such restoration be submitted to and approved by the Mortgagee prior to commencement of work; and in each:

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(a) No payment made prior to the final completion of each trade of the restoration performed by such trade shall exceed ninety percent (90%) of the value of the work performed from time to time;

(b) Funds other than proceeds of insurance or such award shall be disbursed prior to disbursement of such proceeds or such award; and

(c) At all time the undisbursed balance of such proceeds or such award remaining in the hands of the Mortgagee, together with funds deposited for the purpose or irrevocably committed to the satisfaction of the Mortgagee by or on behalf of the Mortgagor for the purpose, shall be at least sufficient in the reasonable judgement of the Mortgagee to pay for the cost of completion of the restoration, free and clear of all liens or claims for lien.

Section 9.7. Subrogation. It is understood and agreed that the proceeds of the Note, to the extent that the same are utilized to pay or renew or extend any indebtedness of Mortgagor, or any other indebtedness, or take up or release any outstanding Liens against the Mortgaged Property, or any portion thereof, have been advanced by Mortgagee at Mortgagor's request and at the request of the obligors thereof and upon their representation that such amounts are due and payable. Mortgagee shall be subrogated to any and all Rights and Liens owned or claimed by any owner or beneficiary of said outstanding Rights and Liens, however remote, regardless of whether said Rights and Liens are acquired by assignment or are released by the beneficiary thereof upon payment.

Section 9.8. Illegality. If any provision of this Mortgage is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Mortgage, the legality, validity, and enforceability of the remaining provisions of this Mortgage shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Mortgage a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid and enforceable. If the Rights and Liens created by this Mortgage shall be invalid or unenforceable as to any part of the Secured Indebtedness, then the unsecured portion of the Secured Indebtedness shall be completely paid prior to the payment of the remaining and secured portion of the Secured Indebtedness, and all payments made on the Secured Indebtedness shall be considered to have been paid on and applied first to the complete payment of the unsecured portion of the Secured Indebtedness.

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Section 9.9. Maximum Interest Rate. Notwithstanding anything contained in this Mortgage or in any of the Loan Documents to the contrary, Mortgagee shall never be deemed to have contracted for or be entitled to receive, collect or apply as interest on the Secured Indebtedness, any amount in excess of the amount permitted and calculated at the highest lawful nonusurious rate, and, in the event Mortgagee ever receives, collects or applies as interest any amount in excess of the amount permitted and calculated at the highest lawful nonusurious rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance of the Secured Indebtedness, and, if the principal balance of the Secured Indebtedness is paid in full, any remaining excess shall forthwith be paid to Mortgagor. In determining whether or not the interest paid or payable under any specific contingency exceeds the amount of interest permitted and calculated at the highest lawful nonusurious rate, Mortgagor and Mortgagee shall, to the maximum extent permitted under applicable law, (i) characterize any non-principal payment (other than payments which are expressly designated as interest payments hereunder) as an expense, fee, or premium, rather than as interest, (ii) exclude voluntary prepayments and the effect thereof, and (iii) spread the total amount of interest throughout the entire contemplated term of the Secured Indebtedness.

Section 9.10. Obligations Binding Upon Mortgagor's Successors. This Mortgage is binding upon Mortgagor and Mortgagor's Successors, and shall inure to the benefit of Mortgagee, and its successors and assigns, and the provisions hereof shall likewise be covenants running with the land. The duties, covenants, conditions, obligations, and warranties of Mortgagor in this Mortgage shall be joint and several obligations of Mortgagor and Mortgagor's Successors.

Section 9.11. Counterparts. This Mortgage has simultaneously been executed in a number of identical counterparts, each of which, for all purposes, shall be deemed an original.

Section 9.12. Exhibits. All exhibits attached hereto are by this reference made a part hereof. The term "Mortgage" shall include all such exhibits.

Section 9.13. Indemnity. Mortgagor hereby assumes all liability to any third party for the Mortgaged Property and for any development, use, possession, maintenance, and management of, and construction upon, the Mortgaged Property, or any part thereof, and agrees to assume liability to any third party for, and to indemnify and hold Mortgagee harmless from and against, any and all losses, damages, claims, costs, penalties, causes of action, liabilities and expenses, including court costs and attorneys'

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fees, howsoever arising (including, without limitation, for injuries to or deaths of persons and damage to property), from or incident to such ownership of the Mortgaged Property and development, use, possession, maintenance, management, and construction.

Section 9.14. Vendor's Lien. If all or any portion of the proceeds of the loan evidenced by the Note has been advanced for the purpose of paying the purchase price for all or a part of the Mortgaged Property, then: (i) Mortgagee shall have, and is hereby granted, a vendor's lien on the Mortgaged Property to further secure the Secured Indebtedness; and (ii) Mortgagee shall be subrogated to all rights, titles, interests, liens, and security interests owned or claimed by the holder of any indebtedness which has been directly or indirectly discharged or paid from the proceeds of the loan evidenced by the Note.

Section 9.15. Section References. All references to "Article," "Articles," "Section," "Sections," "Subsection," or "Subsections" contained herein are, unless specifically indicated otherwise, references to articles, sections, and subsections of this Mortgage.

Section 9.16. Singular; Plural. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

Section 9.17. Headings. The captions, headings, and arrangements used in this Mortgage are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

Section 9.18. Notices. Whenever this Mortgage requires or permits any consent, approval, notice (except for notices of a foreclosure which shall be given in the manner set forth in Section 6.2(b) hereof), request, or demand from one party to another, the consent, approval, notice, request, or demand must be in writing to be effective and shall be deemed to have been given when personally delivered or deposited in the United States mails, registered or certified, return receipt requested, addressed to the party to be notified at the following address (or at such other address as may have been designated by written notice):

c/o Dynamic Health Care Consultants
3359 West Main Street
Skokie, Illinois 60076

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with a copy to:

Sachnoff & Weaver, Ltd.
30 South Wacker Drive
Suite 2900
Chicago, Illinois 60606
Attention: Scott D. Gudmundson

Section 9.19. INTENTIONALLY OMITTED.

Section 9.20. Governing Laws. The substantive laws of the State of Illinois shall govern the validity, construction, enforcement, and interpretation of this Mortgage, and the other Loan Documents, unless otherwise specified therein.

Section 9.21. Time of Essence. Time is of the essence of this Mortgage.

Section 9.22. Fixture Filing. This Mortgage shall also constitute a security agreement with respect to the Personal Property and a "fixture filing" for purposes of the Code. Portions of the Personal Property are or may become fixtures. Information concerning the security interests herein granted may be obtained at the addresses stated in the preamble hereof.

Section 9.23. Financing Statement. Mortgagee shall have the right at any time to file this Mortgage as a financing statement, but the failure to do so shall not impair the validity and enforceability of this Mortgage in any respect whatsoever. A carbon, photographic, or other reproduction of this Mortgage, or any financing statement relating to this Mortgage, shall be sufficient as a financing statement.

Section 9.24. Entire Agreements; Amendments. This Mortgage, the Note and the other documents executed in connection herewith represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties. This Mortgage cannot be amended except by agreement in writing by the party against whom enforcement of the amendment is sought.

Section 9.25. Remedies Cumulative and Non-Waiver. No remedy or right of the Mortgagee hereunder or under the Note, or any of the Loan Documents, or otherwise, or available under applicable law, shall be exclusive of any other right or remedy; but each such remedy or right shall be in addition to every other remedy or right now or hereafter existing under any such document.

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or under applicable law. No delay in the exercise of, or omission to exercise, any remedy or right accruing on any Default shall impair any such remedy or right or be construed to be a waiver of any such Default or an acquiescence therein, nor shall it affect any subsequent Default of the same or a different nature, nor shall it extend or affect any grace period. Every such remedy or right may be exercised concurrently or independently, when and as often as may be deemed expedient by the Mortgagee. All obligations of the Mortgagor and all rights, powers, and remedies of the Mortgagee expressed herein shall be in addition to, and not in limitation of, those provided by law or in the Note or any of the Loan Documents or any other written agreement or instrument relating to any of the Secured Indebtedness or any security therefor.

Section 9.26. No Right of Setoff. No setoff or claim that Mortgagor may now or in the future have against Mortgagee shall relieve or excuse Mortgagor from paying the installments under the Note or performing any other obligation secured hereby when the same is due.

Section 9.27. Notice and Hearing on Foreclosure. The Mortgagor in connection with any foreclosure of this Mortgage hereby waives all notice requirements except any which may be set forth in the Illinois statutes providing for foreclosure as not being waivable.

Section 9.28. Right to Modify. Without affecting the obligation of Mortgagor to pay and perform as herein required, without affecting the personal liability of any person for payment of the Secured Indebtedness, and without affecting the lien or priority of the lien hereof on the Mortgaged Property, Mortgagee may, at its option, extend the time for payment of the Secured Indebtedness or any portion thereof, reduce the payments thereon, release any person liable on any portion of the Secured Indebtedness, accept a renewal note or notes therefor, modify the terms of the Secured Indebtedness, release or reconvey any part of the Mortgaged Property, take or release other or additional security, consent to the making of any map or plat thereof, join in granting any easement thereon, or join in any extension agreement or agreement subordinating the lien hereof. Any such action by Mortgagee may be taken without Mortgagor's consent and without the consent of any subordinate lienholder, and shall not affect the priority of this Mortgage over any subordinate lien.

Section 9.29. Additional Security. The taking or acceptance of this Mortgage by Mortgagee shall in no event be considered as a waiver of, or in any way affecting or impairing

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any other security which Mortgagee may have or acquire simultaneously herewith or may hereafter acquire for the payment of the Secured Indebtedness, nor shall the taking at any time by Mortgagee of any such additional security be construed as a waiver of, or in any way affecting or impairing the security of this Mortgage; and Mortgagee may resort, for the payment of the Secured Indebtedness, to any security therefor in such order and manner as it may deem fit.

Section 9.30. Expenses of Recording. Mortgagor agrees to pay all mortgage recording taxes, revenue stamps, charges and filing, registration and recording fees imposed upon this Mortgage, the recording or filing thereof, or upon the Mortgagee by reason of its ownership of this Mortgage, or its enforcement thereof, or imposed upon any security instrument with respect to any fixture or personal property owned by Mortgagor at the Mortgaged Property, or imposed upon any instrument of further assurance.

Section 9.31. Nursing Home Matters.

(a) Mortgagor shall deliver to Mortgagee, (i) within ten (10) days after receipt: certified copies of notices of "A" violations, "Double P" violations, license revocation and decertification, and (ii) not less often than annually: copies of annual recertification surveys, licenses, inspection reports, offense, deficiency, noncompliance, nonconformance and other notices from any federal, state, county or other regulatory body.

(b) The following shall constitute additional Defaults hereunder, without notice or grace:

(i) loss, suspension or failure to obtain any health care facility license, permit, certificate or other authorization, without variance, which may now or hereafter be required to operate the Mortgaged Property as an intermediate, skilled and special care health care facility containing at least the number of each type of such beds currently certified;

(ii) placement on "Conditional" or similar status by the Illinois State Board of Health or other federal, state, county, or other regulatory body; or any other violation of any other such law, statute, rule or regulation which is not corrected within six months of such loss, provided that Mortgagor shall have the right to contest by appropriate administrative and/or legal

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proceedings, diligently conducted in good faith, the validity or application of any such placement or similar status, and to delay compliance therewith pending the prosecution of such proceedings, provided, however, that (I) no civil or criminal liability would thereby be incurred by Mortgagor or Mortgagee and no lien or charge would thereby be imposed upon or satisfied by the Mortgaged Premises, (II) there continues during the course of such contest authority to continue the operation of the Mortgaged Premises as an intermediate, skilled and special care health care facility containing at least the number of each type of beds as existed prior to placement upon such status, and (III) such contest shall be made within the time permitted by the applicable governmental body;

(iii) disqualification as an approved provider for Medicaid Veterans Administration (if at the time of such disqualification in excess of ten percent of the gross revenue of the Mortgaged Property is derived from Veterans Administration patients) or other state or federal reimbursement or subsidy or direct payment program which is not reinstated within thirty (30) days of such disqualification, but in any event, with the time permitted by the applicable governmental body to obtain such reinstatement; and

(iv) failure to maintain and operate the Mortgaged Property as a first class nursing home facility.

(c) In addition to the rights granted Mortgagee pursuant to Section 4.2(m), Mortgagee and its agents shall have the right (but shall not be obligated) during regular business hours to enter the Mortgaged Property and the health care facility located thereon, to the extent not prohibited by law, review all of the books and records of the Mortgaged Property and the health care facility located thereon, including, but not limited to, patient, resident and/or occupant records, insurance and other direct pay, subsidy and reimbursement book and records, and such other matters as Mortgagee may deem necessary to monitor the Mortgaged Property, the health care facility located thereon and the level of care provided therein. Any such inspection shall be for the benefit of Mortgagee and not that of Mortgagor or any other party of entity.

(d) All items necessary to the use and/or operation of the Mortgaged Property and the operations of a health care

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facility located thereon, (i) shall be owned by the Mortgagor or Beneficiary, (ii) shall not be leased by Mortgagor or Beneficiary, (iii) shall not be subject to any conditional sales or purchase contract, and (iv) shall not have been pledged, assigned or mortgaged to any entity other than Mortgagor or Beneficiary.

(e) No patient/occupant of the Mortgaged Property or of the nursing home operated upon the Mortgaged Property shall occupy the same, (i) except on a month to month basis, with rent paid not more than one month in advance, or (ii) pursuant to a "life tenure", "life care" or "life estate" contract.

Section 9.32. Limitation on Personal liability. This Mortgage is executed by Mortgagor solely in its capacity as trustee, not personally. No personal liability shall be asserted against trustee personally, arising out of this Mortgage, it being acknowledged that all such liability so far as Mortgagor is concerned shall be limited to the Mortgaged Property and any other collateral given as security for the payment of the Secured Indebtedness, or any part thereof; provided that nothing herein contained shall limit, affect or impair the obligations and liabilities of any Person (including, but not limited to, Beneficiary, or any partner of Beneficiary) who by separate instrument shall guaranty or otherwise be or become obligated for or liable upon the Secured Indebtedness or for the performance and observance of any of the terms, provisions, conditions or agreements set forth herein or in the Note or in any other agreement or instrument securing or assuring payment of the Secured Indebtedness or executed in connection therewith.

IN WITNESS WHEREOF, Mortgagor hereunder has caused this Mortgage to be duly executed as of the day, month and year first written above.

LaSALLE NATIONAL TRUST, N.A., as
successor trustee as aforesaid

and not personally

By: 

Its: SR. VICE PRESIDENT

Attest:

Nancy A. Stack
Assistant Secretary

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

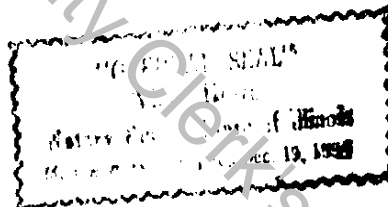
I, VICKI HOWE, a Notary Public in and for the County and State aforesaid, do hereby certify that FRANK W. LANG Vice President of LaSalle National Trust, N.A. ("Bank"), a National Trust Association, and [redacted] Assistant Secretary of said Bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument and such Vice President and Assistant Secretary, respectively, appeared before me in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and the said Assistant Secretary did also then and there acknowledge that he, as custodian for the corporate seal of said Bank, did affix the said instrument as his own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 16th day of September, 1993.

Vicki Howe
Notary Public

My Commission Expires:

10/19/94



93752746

PROMISSORY NOTE

\$3,650,000

September 16, 1993

FOR VALUE RECEIVED, the undersigned, LaSalle National Trust, N.A., not personally but as successor trustee to LaSalle National Bank, not personally but solely as Trustee under Trust Agreement dated December 24, 1986 and known as Trust No. 111862 ("Maker"), hereby unconditionally promises to pay to the order of **The Independent Order of Foresters** ("Payee"), at 789 Don Mills Road, Don Mills, Ontario, Canada M3C 1T9, or such other address as the holder hereof may, from time to time designate in writing, the principal sum of THREE MILLION SIX HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$3,650,000.00), in lawful money of the United States of America, together with interest on the unpaid principal balance from day-to-day remaining computed from the date of advance until maturity at a rate per annum equal to Nine and One-Quarter percent (9.25%) (the "Fixed Rate").

For purposes of calculating interest accrued hereon at the Fixed Rate, interest on this Note shall be calculated on the basis of the actual days elapsed over a 360-day year.

Principal and accrued interest on this Note, computed as aforesaid, shall be due and payable as follows: (i) in equal monthly installments, each in the amount of Forty-Two Thousand Fifty-Three and 71/100 Dollars (\$42,053.71), commencing on November 1, 1993, and continuing thereafter on the first (1st) day of each succeeding calendar month, and (ii) in one final installment on October 1, 2005, in the amount of the unpaid principal balance and accrued and unpaid interest on this Note as of (and including) such date. Maker shall pay to Payee at the time of execution hereof interest from and including the date of advance until and including the last day of the month of such advance.

In addition to the foregoing required monthly payments, Maker shall pay to the Payee a late charge of five percent (5%) of any payment required to be made hereunder or under the Mortgage (as hereinafter defined) which is not received by the Payee within ten (10) days after it becomes due.

Should the principal of, or any installment of the principal or interest upon, this Note become due and payable on any day other than a business day, the maturity thereof shall be extended to the next succeeding business day and interest shall

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be payable with respect to such extension. All payments of principal of and interest upon this Note shall be made by Maker to Payee in immediately available funds; provided, that receipt of a check shall not constitute payment until such check has been honored when presented for payment. Payments made to Payee by Maker hereunder shall be applied first to accrued interest and then to principal.

After an Event of Default (as hereinafter defined), all past due principal and, to the extent permitted by applicable law, interest upon this Note shall bear interest at the lesser of (i) the Maximum Rate (as hereinafter defined), or (ii) the rate per annum which shall from day-to-day be equal to five percent (5%) in excess of the Fixed Rate.

The term "Maximum Rate," as used herein, shall mean, with respect to the holder hereof, the maximum nonusurious interest rate, if any, that at any time, or from time to time, may be contracted for, taken, reserved, charged, or received on the indebtedness evidenced by this Note under the laws which are presently in effect of the United States and the State of Illinois applicable to such holder and such indebtedness or, to the extent permitted by applicable law, under such applicable laws of the United States and the State of Illinois which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

Maker and each surety, endorser, guarantor and other party ever liable for payment of any sums of money payable on this Note, jointly and severally waive demand for payment, presentment, protest, notice of protest and non-payment, or other notice of default, notice of acceleration and intention to accelerate, and agree that their liability under this Note shall not be affected by any renewal or extension in the time of payment hereof, or by any indulgences, or by any release or change in any security for the payment of this Note, and hereby consent to any and all renewals, extensions, indulgences, releases or changes, regardless of the number of such renewals, extensions, indulgences, releases or changes.

This Note is secured by, among other things, a Mortgage, Security Agreement, Financing Statement and Assignment of Rents (the "Mortgage") dated of even date herewith from Maker to Payee covering certain property located in Cook County, Illinois, as more fully described therein.

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No waiver by Payee of any of its rights or remedies hereunder or under any other document evidencing or securing this Note or otherwise shall be considered a waiver of any other subsequent right or remedy of Payee; no delay or omission in the exercise or enforcement by Payee of any rights or remedies shall ever be construed as a waiver of any right or remedy of Payee; and no exercise or enforcement of any such rights or remedies shall ever be held to exhaust any right or remedy of Payee.

An "Event of Default" shall exist hereunder if any one or more of the following events shall occur and be continuing:

(a) Maker shall fail or refuse to pay within ten (10) days after the date when due any principal of, or interest upon, this Note;

(b) Any statement, representation or warranty made by Maker to Payee shall prove to be untrue or inaccurate in any material respect when made;

(c) A Default shall occur under the Mortgage; or a default shall occur (i) in the performance of any of the covenants or agreements of Maker contained herein or (ii) in any instrument securing this Note (other than the Mortgage) or any other document executed or delivered to Payee in connection herewith, and such default shall continue uncured to the reasonable satisfaction of Payee for a period of fifteen (15) days after written notice thereof from Payee to Maker;

(d) Maker or any guarantor of this Note (a "Guarantor") shall (i) apply for or consent to the appointment of a receiver, trustee, custodian, intervener or liquidator of such Maker or such Person or of all or a substantial part of the assets of such Maker or such Person, (ii) file a voluntary petition in bankruptcy, admit in writing that such Maker or such Person is unable to pay the debts of such Maker or such Person as they become due or generally not pay such Person's debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) file a petition or answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy or insolvency laws, (v) file an answer admitting the material allegations of, or consent to, or default in answering, a petition filed against such Maker or such Person in any bankruptcy, reorganization or insolvency proceeding, or (vi) take part-

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nership action for the purpose of effecting any of the foregoing;

(e) An involuntary petition or complaint shall be filed against Maker or any Person seeking bankruptcy or reorganization of such Maker or such Person or the appointment of a receiver, custodian, trustee, intervenor or liquidator of such Maker or such Person, or of all or substantially all of the assets of such Maker or such Person, and such petition or complaint shall not have been dismissed within forty-five (45) days of the filing thereof; or a final, unappealable, order, order for relief, judgment or decree shall be entered, and the time for timely filing an appeal therefrom shall have expired, by any court of competent jurisdiction or other competent authority approving a petition or complaint seeking reorganization of such Maker or such Person or appointing a receiver, custodian, trustee, intervenor or liquidator of such Maker or such Person, or of all or substantially all of the assets of the Maker or such Person;

(f) The failure of Maker or any Guarantor to pay any money judgment against such Maker or such Person, within ten (10) days after such judgment becomes final and no longer appealable, except for any judgment for which the insurance companies insuring such Maker or Person have accepted coverage, and evidence of such insurance coverage shall be delivered to Payee;

(g) The failure of Maker or any Guarantor to have discharged within a period of ten (10) days after the commencement thereof any attachment, sequestration, or similar proceedings against any of Maker's or any Person's assets; or

(h) Payee's liens, mortgages or security interests in any of the collateral for this Note should become unenforceable, or cease to be first priority liens, mortgages or security interests.

The term "Person" as used herein shall mean any individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, trust, land trust, unincorporated organization, government or any agency or political subdivision thereof, or any other form of entity.

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Upon the occurrence of any Event of Default, the holder hereof may, at its option, declare the entire unpaid balance of principal and accrued interest on this Note to be immediately due and payable, and foreclose all liens and security interests securing payment hereof or any part hereof; provided, however, upon the occurrence of any of the Events of Default described in items (d) or (e) above, the entire unpaid balance of principal and accrued interest upon this Note shall, without any action by Payee, immediately become due and payable without demand for payment, presentment, protest, notice of protest and non-payment, or other notice of default, notice of acceleration and intention to accelerate or any other notice, all of which are expressly waived by Maker.

Prior to the fourth anniversary of this Note Maker shall have no right to prepay the outstanding principal balance hereof. After the fourth anniversary date of this Note Maker may prepay the outstanding principal balance of this Note, in whole but not in part, upon giving thirty (30) days' prior written notice to Payee if, and only if, contemporaneously with such prepayment Maker pays to Payee a prepayment premium equal to the product of (i) the percentage set forth below opposite the period in which prepayment occurs, multiplied by (ii) the then unpaid principal balance of this Note.

<u>Period</u>	<u>Percentage</u>
Date hereof through the day preceding the Fourth Anniversary of the date hereof	no right to prepay
Fourth Anniversary through the day preceding the Fifth Anniversary	5.00%
Fifth Anniversary through the day preceding the Sixth Anniversary	4.00%
Sixth Anniversary through the day preceding the Seventh Anniversary	3.00%
Seventh Anniversary through the day preceding three months prior to Maturity	2.00%
Three months prior to Maturity through Maturity	0%

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Maker hereby acknowledges and agrees that in the event Maker is in default under this Note or the Mortgage or any other instrument by which this Note is secured, thereby causing the Payee to accelerate the maturity of this Note, or in the event this Note is paid prior to its stated maturity, then the Payee will sustain damage due to additional administrative expenses and the loss of the investment represented hereby. Therefore, Maker hereby agrees to pay the Payee damages in an amount which shall be equal to the prepayment premium applicable on the date of such acceleration, or application of proceeds, as the case may be; provided, that, if such acceleration or application of proceeds shall occur during any period when this Note may not be prepaid voluntarily, then Maker and Payee agree that the damages shall be equal to 6% of the outstanding principal balance of this Note, in the case of a default. Payment of such damages shall be in lieu of the prepayment premium that would otherwise be due and payable under this Note by reason of voluntary prepayment. Maker acknowledges that Payee's damages in the event of prepayment will be extremely difficult and impractical to ascertain and therefore agrees that the foregoing premium is a reasonable estimate of such damages to Payee. Notwithstanding anything contained in this Note to the contrary, prepayment out of proceeds of insurance or condemnation awards may be made without premium or penalty.

Notwithstanding anything contained in this Note to the contrary, Payee shall never be deemed to have contracted for or be entitled to receive, collect or apply as interest on this Note, any amount in excess of the amount permitted and calculated at the Maximum Rate, and, in the event Payee ever receives, collects or applies as interest any amount in excess of the amount permitted and calculated at the Maximum Rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance of this Note, and, if the principal balance of this Note is paid in full, any remaining excess shall forthwith be paid to Maker. In determining whether or not the interest paid or payable under any specific contingency exceeds the Maximum Rate, Maker and Payee shall, to the maximum extent permitted under applicable law, (i) characterize any non-principal payment (other than payments which are expressly designated as interest payments hereunder) as an expense, fee, or premium, rather than as interest, (ii) exclude voluntary prepayments and the effect thereof, and (iii) spread the total amount of interest throughout the entire contemplated term of this Note.

This Note is being executed and delivered, and is intended to be performed in the State of Illinois. Except to the

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extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Illinois shall govern the validity, construction, enforcement and interpretation of this Note. In the event of a dispute involving this Note or any other instruments executed in connection herewith, the undersigned irrevocably agrees that venue for such dispute shall lie in any court of competent jurisdiction in Cook County, Illinois or in the United States District Court for the Northern District of Illinois.

If this Note is placed in the hands of an attorney for collection, or if it is collected through any legal proceedings at law or in equity or in bankruptcy, receivership or other court proceedings, Maker promises to pay all costs and expenses of collection including, but not limited to, court costs and the reasonable attorneys' fees of the holder hereof.

This Note is executed by Maker solely in its capacity as trustee, and not personally. No personal liability shall be asserted against trustee personally, arising out of this instrument, it being acknowledged that all such liability shall be limited to the mortgaged property, the Assignment of Leases and Rents, and/or any other security given for repayment of the indebtedness evidenced hereby, or by enforcement of any separate guaranties or other agreements of any Person; and nothing herein contained shall limit, affect or impair the obligations and liabilities of any Person (including, but not limited to, the beneficiary of Maker, or any partner thereof), who by separate instrument shall guaranty or otherwise be or become obligated for or liable upon the indebtedness evidenced by this Note or for the performance and observance of any of the terms, provisions, conditions or agreements set forth herein or in the Mortgage or in any other agreement or instrument securing or assuring payment of this Note or executed in connection therewith.

Executed as of the day and year first above written.

LaSALLE NATIONAL TRUST, N.A., as
successor trustee as aforesaid

By: _____

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EXHIBIT B

OUTLOT "A" IN SOUTH SHORE REST HOME SUBDIVISION, A SUBDIVISION OF LOTS 11 TO 14 (EXCEPT THAT PART OF LOT 13 DESCRIBED AS FOLLOWS:

THE NORTH 73.46 FEET OF THE SOUTH 84.32 FEET OF THE EAST 215.95 FEET) ALL IN HENRY DE YOUNG'S RESUBDIVISION OF LOTS 35 AND 38 IN COUNTY CLERK'S DIVISION OF UNSUBDIVIDED LANDS SOUTH OF THE CALUMET RIVER IN THE SOUTHWEST 1/4 OF SECTION 15; ALSO OF LOT 19 IN SCHOOL TRUSTEES' SUBDIVISION OF SECTION 16, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMON ADDRESSES: 16000 S. Wabash
South Holland, Illinois

Permanent Index Number: 29-15-302-051-0000

EXHIBIT

INTENTIONALLY OMITTED

93752746