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COOK COUNTY RECORDER

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FIRST MORTGAGE AND SECURITY AGREEMENT

from

FIRST NATIONAL BANK OF BLUE ISLAND
a national banking association, as Trustee under a
Trust Agreement dated October 5, 1993 and
known as Trust No. 93049, and not personally

to

FIRST NATIONAL BANK OF BLUE ISLAND
a national banking association

Dated as of November 11, 1993.

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Permanent Tax Index Number:

23-01-402-015

This Instrument Prepared by and
to be Returned After Recording to:

Address of Project:

9355 South 79th Court
Hickory Hills, Illinois

Stephen L. Golan, Esq.
Field, Golan & Swiger
21st Floor - Three First National Plaza
Chicago, Illinois 60602

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FIRST MORTGAGE AND SECURITY AGREEMENT

FIRST MORTGAGE AND SECURITY AGREEMENT made as of this 11 day of November, 1993, from FIRST NATIONAL BANK OF BLUE ISLAND, a national banking association, as Trustee under a Trust Agreement dated October 5, 1993, and known as Trust No. 93049, and not personally (the "Mortgagor"), to FIRST NATIONAL BANK OF BLUE ISLAND, a national banking association (the "Lender");

WITNESSETH:

WHEREAS, the Mortgagor has, concurrently herewith, executed and delivered to the Lender its Mortgage Note in the principal sum of \$405,000 (the "Note"), bearing even date herewith, payable to the order of the Lender, the terms of which are more fully described in Section 2.1 hereof; and

WHEREAS, the Note evidences a loan being made by the Lender to the Mortgagor, for the benefit of Mill Creek Development, Inc., an Illinois corporation (the "Borrower"), for the purpose of providing mortgage financing for the purchase of the real estate described in Exhibit A attached hereto;

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness hereby secured, the receipt and sufficiency of which are hereby acknowledged, the Mortgagor hereby grants, sells, conveys and mortgages to the Lender and its successors and assigns forever, under and subject to the terms and conditions hereinafter set forth, all of the Mortgagor's right, title and interest in and to the real property described in Exhibit A attached hereto and by this reference incorporated herein, including all improvements now and hereafter located thereon;

TOGETHER WITH all right, title and interest of the Mortgagor, now owned or hereafter acquired, in and to the following:

(a) All rents, issues, profits, royalties and income with respect to the said real estate and improvements and other benefits derived therefrom, subject to the right, power and authority given to the Mortgagor to collect and apply same; and

(b) All leases or subleases covering the said real estate and improvements or any portion thereof now or hereafter existing or entered into, including, but not limited to, all cash or security deposits, advance rentals, and deposits or payments of similar nature, and any and all guarantees of the lessee's obligations under any of such leases and subleases; and

(c) All privileges, reservations, allowances, hereditaments and appurtenances belonging or pertaining to the said real estate and improvements and all rights and

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estates in reversion or remainder and all other interests, estates or other claims, both in law and in equity, which the Mortgagor now has or may hereafter acquire in the said real estate and improvements; and

(d) All easements, rights-of-way and rights used in connection with the said real estate and improvements or as a means of ingress and egress thereto, and all tenements, hereditaments and appurtenances thereof and thereto, and all water rights and shares of stock evidencing the same; and

(e) Any land lying within the right-of-way of any street, open or proposed, adjoining the said real estate and improvements, and any and all sidewalks, alleys and strips and pieces of land adjacent to or used in connection with the said real estate and improvements; and

(f) Any and all buildings and improvements now or hereafter erected on the said real estate, including, but not limited to, all the fixtures, attachments, appliances, equipment, machinery, and other articles attached to said buildings and improvements; and

(g) All materials intended for construction, reconstruction, alteration and repairs of the said real estate and improvements, all of which materials shall be deemed to be included within the said real estate and improvements immediately upon the delivery thereof to the said real estate; and

(h) All fixtures attached to or contained in and used in connection with the said real estate and improvements, including, but not limited to, all machinery, motors, elevators, fittings, radiators, awnings, shades, screens, and all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air-conditioning and sprinkler equipment and fixtures and appurtenances thereto; and all items of furniture, furnishings, equipment and personal property used or useful in the operation of the said real estate and improvements; and all renewals, substitutions and replacements for any or all of the foregoing, and all proceeds therefrom, whether or not the same are or shall be attached to the said real estate and improvements in any manner; it being mutually agreed, intended and declared that all the aforesaid property placed by the Mortgagor on and in the said real estate and improvements shall, so far as permitted by law, be deemed to form a part and parcel of the real estate and for the purpose of this Mortgage to be real estate and covered by this Mortgage; and as to any of the aforesaid property which does not so form a part and parcel of the real estate or does not constitute a "fixture" (as such term is defined in the Uniform Commercial Code of Illinois), this Mortgage is deemed to be a security agreement under the Uniform Commercial Code of Illinois for the purpose of creating hereby a

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security interest in such property, which the Mortgagor hereby grants to the Lender as secured party; and

(i) All the estate, interest, right, title and other claims or demands, including claims or demands with respect to any proceeds of insurance related thereto, in the said real estate and improvements or personal property and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the said real estate and improvements or personal property, including without limitation any awards resulting from a change of grade of streets and awards for severance damages;

the said real estate and improvements and the property and interests described in (a) through (i) above being collectively referred to herein as the "Project".

TO HAVE AND TO HOLD the same unto the Lender and its successors and assigns forever, for the purposes and uses herein set forth.

FOR THE PURPOSE OF SECURING the following (but not exceeding \$750,000 in the aggregate):

(a) Payment of the indebtedness evidenced by the Note, and including the principal thereof and interest thereon and any and all modifications, extensions and renewals thereof, and performance of all obligations of the Mortgagor under the Note; and

(b) Performance and observance by the Mortgagor of all of the terms, covenants and provisions of this Mortgage; and

(c) Performance and observance by the parties thereto of all of the terms, covenants and provisions of the other Loan Documents (as defined in Article I hereof); and

(d) Payment of all sums advanced by the Lender to perform any of the terms, covenants and provisions of this Mortgage or any of the other Loan Documents (as defined in Article I hereof), or otherwise advanced by the Lender pursuant to the provisions hereof or any of such other documents to protect the property hereby mortgaged and pledged; and

(e) Performance and observance of all of the terms, covenants and provisions of any other instrument given to evidence or further secure the payment and

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performance of any indebtedness hereby secured or any obligation secured hereby;
and

(f) Payment of any future or further advances which may be made by the Lender at its sole option to and for the benefit of the Mortgagor and/or the Borrower, or their successors, assigns and legal representatives.

PROVIDED, HOWEVER, that if the Mortgagor shall pay the principal and all interest as provided in the Note, and shall pay all other sums herein provided for, or secured hereby, and shall well and truly keep and perform all of the covenants herein contained, then this Mortgage shall be released at the cost of the Mortgagor, otherwise to remain in full force and effect.

TO PROTECT THE SECURITY OF THIS MORTGAGE AND SECURITY AGREEMENT, THE MORTGAGOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. The terms defined in this Section (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Mortgage shall have the respective meanings specified in this Section.

"Assignment of Rents" means the Assignment of Rents and Leases dated as of November 11, 1993, from the Mortgagor and the Borrower to the Lender.

"Borrower" means Mill Creek Development, Inc., an Illinois corporation.

"Beneficial Interest Assignment" means the Collateral Assignment of Beneficial Interest in Land Trust dated as of October 5, 1993 from the Borrower to the Lender.

"Event of Default" when used in reference to this Mortgage means an Event of Default specified in Section 4.1 hereof.

"Shareholders" means JOHN M. FORD and GERTRUDE A. FORD, the sole shareholders of Borrower

"Guaranty" means the Guaranty of Borrower and Shareholders dated as of November 11, 1993, from the Borrower and the Shareholders to the Lender.

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"Hazardous Material" means any hazardous substance or any pollutant or contaminant defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, any so called "Superfund" or "Superlien" law, The Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards on conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect; asbestos or any substance or compound containing asbestos; polychlorinated biphenyls or any substance or compound containing any polychlorinated biphenyl; and any other hazardous, toxic or dangerous waste, substance or material.

"Loan Agreement" means the Loan Agreement of even date herewith between the Borrower and the Lender.

"Loan Documents" means the Loan Agreement, the Note, this Mortgage, the Assignment of Rents, the Beneficial Interest Assignment, the Guaranty, and all other documents and instruments at any time evidencing and securing the indebtedness secured by this Mortgage.

"Mortgage" means this First Mortgage and Security Agreement dated as of November 11, 1993, from the Mortgagor to the Lender.

"Lender" means FIRST NATIONAL BANK OF BLUE ISLAND, a national banking association.

"Mortgagor" means FIRST NATIONAL BANK OF BLUE ISLAND, a national banking association, as Trustee under a Trust Agreement dated October 5, 1993, and known as Trust No. 93049.

"Note" means the Mortgage Note of the Mortgagor dated November 11, 1993, in the principal amount of \$405,000, made payable to the order of the Lender.

"Permitted Encumbrances" means (i) this Mortgage; (ii) the Assignment of Rents; (iii) the Uniform Commercial Code financing statements reflecting the Lender as secured party; (iv) leases of the Project entered into after the date of the recording of this Mortgage, provided same have been approved in writing by the Lender as required by Section 3.1 of this Mortgage; (v) liens for ad valorem taxes and special assessments not then delinquent; and (vi) the additional matters set forth in Exhibit B attached hereto.

"Project" means the real estate described in Exhibit A attached hereto and all improvements now and hereafter located thereon, and all other property, rights and interests described in the foregoing granting clauses of this Mortgage.

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"Title Company" means Intercounty Title Company of Illinois.

ARTICLE II

COVENANTS AND AGREEMENTS OF MORTGAGOR

Section 2.1. Payment of Indebtedness. The Mortgagor covenants and agrees that it will pay when due the principal of and interest on the indebtedness hereby secured evidenced by the Note, all other sums which may become due pursuant thereto or hereto, and all other indebtedness hereby secured as described in the foregoing granting clauses of this Mortgage, including, but not limited to, all charges, fees and all other sums to be paid by the Mortgagor as provided in the Loan Documents, and that it will duly and punctually perform, observe and comply with all of the terms, provisions and conditions herein and in the other Loan Documents provided to be performed and observed by the Mortgagor. The Note secured hereby, which is hereby incorporated into this Mortgage by reference with the same effect as if set forth in full herein, is in the principal amount of \$405,000, and bears interest at the rate of Eight Percent (8%) per annum. Interest is payable on the Note in arrears on the first day of each calendar month commencing December 11, 1993. All of the principal of and any accrued and unpaid interest on the Note shall be due and payable on May 11, 1994. Interest shall be computed on the basis of a 360-day year and days elapsed.

Section 2.2. Escrow Deposits. If requested by the Lender, in order to provide moneys for the payment of the Impositions on the Project required to be paid by the Mortgagor pursuant to Section 2.6 hereof and the premiums on the insurance required to be carried by the Mortgagor pursuant to Section 2.4 hereof, the Mortgagor shall pay to the Lender with each monthly payment on the Note such amount as the Lender shall estimate will be required to accumulate, by the date 30 days prior to the due date of the next annual installment of such Impositions and insurance premiums, through substantially equal monthly payments by the Mortgagor to the Lender, amounts sufficient to pay such next annual Impositions and insurance premiums. All such payments shall be held by the Lender in escrow, and the Lender shall not be obligated to pay interest thereon. Amounts held in such escrow shall be made available by the Lender to the Mortgagor for the payment of the Impositions and insurance premiums on the Project when due, or may be applied thereto by the Lender if it in its sole discretion so elects. The Lender may at any time and from time to time waive the requirement for the escrow deposits provided for in this Section. In the event of any such waiver, the Lender may thereafter in its sole discretion elect to require that the Mortgagor commence making such escrow deposits by giving the Mortgagor not less than 10 days' written notice of such election. No such waiver shall impair the right of the Lender thereafter to require that such escrow deposits be made.

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Section 2.3. Maintenance, Repair, Alterations. The Mortgagor covenants and agrees that it will:

- (a) keep the Project in good condition and repair;
- (b) promptly repair and restore any portion of the Project which may become damaged or be destroyed so as to be of at least equal value and of substantially the same character as prior to such damage or destruction;
- (c) subject to Section 2.13(b) hereof, pay when due all claims for labor performed and materials furnished to and for the Project;
- (d) comply with all laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Project or any part thereof or requiring any alterations or improvements;
- (e) not commit or permit any waste or deterioration of the Project or any portion thereof;
- (f) keep and maintain the Project and abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair and free of nuisance;
- (g) not commit, suffer or permit any act to be done in or upon the Project in violation of any law, ordinance or regulation;
- (h) not initiate or acquiesce in any zoning change or reclassification of the Project; and
- (i) subject to Section 2.13(b) hereof, keep the Project free and clear of all liens and encumbrances of every sort except Permitted Encumbrances.

Section 2.4. Required Insurance. The Mortgagor shall at all times provide, maintain and keep in force the following policies of insurance:

- (a) Insurance against loss or damage to any improvements on the Project by fire and any of the risks covered by insurance of the type now known as "fire and extended coverage", in an amount not less than the full replacement cost thereof (exclusive of the cost of excavations, foundations and footings below the lowest basement floor), and with not more than \$10,000 deductible from the loss payable for any casualty.
- (b) Comprehensive general liability insurance (and during any period of construction, contractor's liability and worker's compensation insurance), with liability under

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the comprehensive liability insurance together with any umbrella insurance policy with general liability coverage, to be not less than Two Million Dollars (\$2,000,000.00) combined single limit.

(c) Automobile insurance with general liability coverage of not less than Two Million Dollars (\$2,000,000), combined single limit.

(d) During the course of any construction or repair at the Project, builder's risk insurance against all risks of physical loss, on a completed value basis, including collapse and transit coverage, with a deductible not to exceed \$10,000, in nonreporting form, covering the total value of work performed and equipment, supplies and materials furnished, and containing the "permission to occupy upon completion of work" endorsement.

(e) Such other insurance, and in such amounts, as may from time to time be required by the Lender against the same or other hazards.

All policies of insurance required by terms of this Mortgage shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of the Mortgagor or Borrower which might otherwise result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of set-off, counterclaim or deductions against the Mortgagor, and shall provide that the amount payable for any loss shall not be reduced by reason of co-insurance.

Section 2.5. Delivery of Policies; Payment of Premiums. All policies of insurance required by the terms of this Mortgage shall be issued by companies and in amounts in each company satisfactory to the Lender. All policies of insurance shall be maintained for and name the Mortgagor, the Borrower and the Lender as insureds, as their respective interests may appear, and the policies required by paragraphs (a), (d) and (e) of Section 2.4 hereof shall have attached thereto a mortgagee's loss payable endorsement for the benefit of the Lender in form satisfactory to the Lender. Upon request, the Mortgagor shall furnish the Lender with the original of all required policies of insurance. At least 30 days prior to the expiration of each such policy, the Mortgagor shall furnish the Lender with evidence satisfactory to the Lender of the payment of the premium and the reissuance of a policy continuing insurance in force as required by this Mortgage. Each policy of insurance required by this Mortgage shall contain a provision that such policy will not be cancelled or materially amended, including any reduction in the scope or limits of coverage, without at least 30 days' prior written notice to the Lender.

Section 2.6. Taxes and Impositions. (a) The Mortgagor agrees to pay or cause to be paid, at least 10 days prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including without limitation any non-governmental levies or assessments such as

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maintenance charges, owner association dues or charges or fees, levies or charges resulting from covenants, conditions and restrictions affecting the Project, which are assessed or imposed upon the Project, or become due and payable, and which create, may create or appear to create a lien upon the Project, or any part thereof (all of which taxes, assessments and other governmental charges and non-governmental charges of the above-described or like nature are hereinafter referred to as "Impositions"); provided however, that if, by law, any such Imposition is payable, or at the option of the taxpayer may be paid, in installments, the Mortgagor may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) The Mortgagor shall furnish to the Lender within 30 days after the date upon which any Imposition is due and payable by the Mortgagor, official receipts of the appropriate taxing authority, or other proof satisfactory to the Lender, evidencing the payment thereof.

(c) The Mortgagor shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings properly instituted and prosecuted in such manner as shall stay the collection of the contested Impositions and prevent the sale or forfeiture of the Project to collect the same; provided that no such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Mortgagor's covenants to pay any such Imposition at the time and in the manner provided in this Section unless the Mortgagor has given prior written notice to the Lender of the Mortgagor's intent to so contest or object to an Imposition, and unless, at the Lender's sole option, (i) the Mortgagor shall demonstrate to the Lender's satisfaction that legal proceedings instituted by the Mortgagor contesting or objecting to such impositions shall conclusively operate to prevent the sale or forfeiture of the Project, or any part thereof, to satisfy such Imposition prior to final determination of such proceedings; and/or (ii) the Mortgagor shall furnish a good and sufficient bond or surety as requested by and satisfactory to the Lender, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Project during the pendency of such contest, adequate fully to pay all such contested Impositions and all interest and penalties upon the adverse determination of such contest.

Section 2.7. Utilities. The Mortgagor shall pay or cause to be paid when due all utility charges which are incurred by the Mortgagor or others for the benefit of or service to the Project or which may become a charge or lien against the Project for gas, electricity, water or sewer services furnished to the Project and all other assessments or charges of a similar nature, whether public or private, affecting the Project or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

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Section 2.8. Actions by Lender to Preserve Project. Should the Mortgagor fail to make any payment or to do any act as and in the manner provided herein or in any of the other Loan Documents, the Lender in its own discretion, without obligation so to do and without releasing the Mortgagor from any obligation, may make or do the same in such manner and to such extent as it may deem necessary to protect the security hereof. In connection therewith (without limiting its general powers), the Lender shall have and is hereby given the right, but not the obligation, (i) to enter upon and take possession of the Project; (ii) to make additions, alterations, repairs and improvements to the Project which it may consider necessary and proper to keep the Project in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the Project, the security hereof or the rights or powers of the Lender; (iv) to pay any Impositions (as defined in Section 2.6 hereof) asserted against the Project and to do so according to any bill, statement or estimate procured from the appropriate office without inquiry into the accuracy of the bill, statement or estimate or into the validity of any Imposition; (v) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of the Lender may affect or appears to affect the Project or the security of this Mortgage or which may be prior or superior hereto; and (vi) in exercising such powers, to pay necessary expenses, including employment of and payment of compensation to counsel or other necessary or desirable consultants, contractors, agents and other employees. The Mortgagor irrevocably appoints the Lender its true and lawful attorney in fact, at the Lender's election, to do and cause to be done all or any of the foregoing in the event the Lender shall be entitled to take any or all of the action provided for in this Section. The Mortgagor shall immediately, upon demand therefor by the Lender, pay all costs and expenses incurred by the Lender in connection with the exercise by the Lender of the foregoing rights, including without limitation, costs of evidence of title, court costs, appraisals, surveys and attorneys' fees, all of which shall constitute so much additional indebtedness secured by this Mortgage immediately due and payable, with interest thereon at a rate of Thirteen Percent (13%) per annum.

Section 2.9. Damage and Destruction. (a) The Mortgagor shall give the Lender prompt notice of any damage to or destruction of any portion or all of the Project, and the provisions contained in the following paragraphs of this Section shall apply in the event of any such damage or destruction.

(b) In the case of loss covered by policies of insurance, the Lender is hereby authorized at its option either (i) to settle and adjust any claim under such policies without the consent of the Mortgagor, or (ii) allow the Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss; and in any case the Lender shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the reasonable expenses incurred by the Lender in the adjustment and collection of insurance proceeds shall be so much additional indebtedness secured by this Mortgage, and shall be reimbursed to the Lender upon demand.

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(c) In the event of any insured damage to or destruction of the Project or any part thereof the proceeds of insurance payable as a result of such loss shall be applied upon the indebtedness secured by this Mortgage or applied to the repair and restoration of the Project, as the Lender in its sole discretion shall elect.

(d) In the event that the Lender shall elect that proceeds of insurance are to be applied to the repair and restoration of the Project, the Mortgagor hereby covenants promptly to repair and restore the same. In such event such proceeds shall be made available, from time to time, to pay or reimburse the costs of such repair and restoration, upon the Lender's being furnished with satisfactory evidence of the estimated cost of such repair and restoration and with such architect's certificates, waivers of lien, contractors' sworn statements and other evidence of cost and of payments as the Lender may require and approve, and if the estimated cost of the work exceeds ten percent (10%) of the original principal amount of the indebtedness secured hereby, with all plans and specifications for such repair or restoration as the Lender may require and approve. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed from time to time, and at all times the undisbursed balance of said proceeds remaining in the hands of the Lender shall be at least sufficient to pay for the cost of completion of the work, free and clear of any liens.

Section 2.10. Eminent Domain. (a) Should the Project or any part thereof or interest therein be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner, or should the Mortgagor receive any notice or other information regarding any such proceeding, the Mortgagor shall give prompt written notice thereof to the Lender, and the provisions contained in the following paragraphs of this Section shall apply.

(b) The Lender shall be entitled to all compensation, awards and other payments or relief therefor (except awards made to tenants of the Project), and shall be entitled at its option to commence, appear in and prosecute in its own name any action or proceedings. The Lender shall also be entitled to make any compromise or settlement in connection with such taking or damage. All proceeds of compensation, awards, damages, rights of action and proceeds awarded to the Mortgagor are hereby assigned to the Lender and the Mortgagor agrees to execute such further assignments of such proceeds as the Lender may require.

(c) In the event that any portion of the Project are taken or damaged as aforesaid, all such proceeds shall be applied upon the indebtedness secured by this Mortgage or applied to the repair and restoration of the Project, as the Lender in its sole discretion shall elect.

(d) In the event that the Lender shall elect that such proceeds are to be applied to the repair and restoration of the Project, the Mortgagor hereby covenants promptly to repair

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and restore the same. In such event such proceeds shall be made available, from time to time, to pay or reimburse the costs of such repair and restoration on the terms provided for in Section 2.9(d) hereof with respect to insurance proceeds.

Section 2.11. Inspection of Project. The Lender, or its agents, representatives or workmen, are authorized to enter at any reasonable time upon or in any part of the Project for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage or any of the other Loan Documents.

Section 2.12. Inspection of Books and Records. The Mortgagor shall keep and maintain full and correct records showing in detail the income and expenses of the Project and shall make such books and records and all supporting vouchers and data available for examination by the Lender and its agents at any time and from time to time on request at the offices of the Lender, or at such other location as may be mutually agreed upon.

Section 2.13. Title, Liens and Conveyances. (a) The Mortgagor represents that it holds good and marketable title to the Project, subject only to Permitted Encumbrances.

(b) Except for Permitted Encumbrances, the Mortgagor shall not create, suffer or permit to be created or filed against the Project, or any part thereof or interest therein, any mortgage lien or other lien, charge or encumbrance, either superior or inferior to the lien of this Mortgage. The Mortgagor shall have the right to contest in good faith the validity of any such lien, charge or encumbrance, provided the Mortgagor shall first deposit with the Lender a bond, title insurance or other security satisfactory to the Lender in such amounts or form as the Lender shall require; provided further that the Mortgagor shall thereafter diligently proceed to cause such lien, encumbrance or charge to be removed and discharged. If the Mortgagor shall fail to discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of the Lender, the Lender may, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such lien by depositing in court a bond for the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law and any amounts expended by the Lender in so doing shall be so much additional indebtedness secured by this Mortgage. Except for Permitted Encumbrances and liens, charges and encumbrances being contested as provided above, in the event that the Mortgagor shall suffer or permit any superior or junior lien, charge or encumbrance to be attached to the Project, the Lender, at its option, shall have the unqualified right to accelerate the maturity of the Note causing the full principal balance and accrued interest thereon to be immediately due and payable without notice to the Mortgagor.

(c) In the event title to the Project is now or hereafter becomes vested in a trustee, any prohibition or restriction contained herein upon the creation of any lien against

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the Project shall also be construed as a similar prohibition or limitation against the creation of any lien or security interest upon the beneficial interest under such trust.

(d) In the event that the Mortgagor shall sell, transfer, convey or assign the title to all or any portion of the Project, or in the event the Borrower shall sell, transfer, convey or assign the beneficial interest under the Trust Agreement by which the Mortgagor was created (including a collateral assignment thereof), in either case whether by operation of law, voluntarily, or otherwise, or the Mortgagor or the Borrower shall contract to do any of the foregoing, the Lender, at its option, shall have the unqualified right to accelerate the maturity of the Note causing the full principal balance and accrued interest thereon to be immediately due and payable without notice to the Mortgagor.

(e) Any waiver by the Lender of the provisions of this Section shall not be deemed to be a waiver of the right of the Lender to insist upon strict compliance with the provisions of this Section in the future.

Section 2.14. Taxes Affecting Mortgage. (a) If at any time any federal, State or municipal law shall require any documentary stamps or other tax hereon or on the Note, or shall require payment of any tax upon the indebtedness secured hereby, then the said indebtedness and the accrued interest thereon shall be and become due and payable at the election of the Lender upon 30 days' notice to the Mortgagor; provided, however, said election shall be unavailing and this Mortgage and the Note shall be and remain in effect, if the Mortgagor lawfully may pay for such stamps or such tax including interest and penalties thereon to or on behalf of the Lender and the Mortgagor does in fact pay, when payable, for all such stamps or such tax, as the case may be, including interest and penalties thereon.

(b) In the event of the enactment after the date of this Mortgage of any law of the State in which the Project are located deducting from the value of the Project for the purpose of taxation any lien thereon, or imposing upon the Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Lender's interest in the Project, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder hereof, then, and in any such event, the Mortgagor, upon demand by the Lender, shall pay such taxes or assessments, or reimburse the Lender therefor; provided, however, that if, in the opinion of counsel for the Lender, (i) it might be unlawful to require Mortgagor to make such payment or (ii) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then, and in such event, the Lender may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable within 60 days from the giving of such notice. Notwithstanding the foregoing, it is understood and agreed that the Mortgagor is not obligated to pay any portion of Lender's federal or State income tax.

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Section 2.15. Environmental Matters. (a) The Mortgagor hereby represents to the Lender that neither the Mortgagor, the Borrower nor any of their affiliates or subsidiaries, nor, to the best of the Mortgagor's knowledge, any other person or entity, has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at (i) the Project or any part thereof, or (ii) any other real property in which the Mortgagor, the Borrower or any of their affiliates or subsidiaries holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust the beneficial interest in which is owned, in whole or in part, by the Borrower or any of its affiliates or subsidiaries), and that none of the property described above has ever been used by the Mortgagor, the Borrower or any of their affiliates or subsidiaries, or, to the best of the Mortgagor's knowledge, by any other person or entity, as a treatment, storage or disposal site (whether permanent or temporary) for any Hazardous Material, and that there are no underground storage tanks located on the Project.

(b) Without limitation on any other provision hereof, the Mortgagor hereby agrees to indemnify and hold the Lender harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any kind whatsoever (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any of the following (collectively, "Environmental Laws"): the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, now or hereafter in force, regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Material) paid, incurred, suffered by or asserted against the Lender as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of, the Mortgagor or the Borrower: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release of any Hazardous Material from (A) the Project or any part thereof, or (B) any other real property in which the Mortgagor, the Borrower or any of their affiliates or subsidiaries holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust the beneficial interest in which is owned, in whole or in part, by the Borrower or any of its affiliates or subsidiaries), or (ii) any liens against the Project permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligations of the Mortgagor, the Borrower or any of their affiliates or subsidiaries under any Environmental Laws, or (iii) any actual or asserted liability or obligations of the Lender or any of its affiliates or subsidiaries under any Environmental Law relating to the Project.

(c) The representations, covenants, indemnities and obligations provided for in this Section 2.15 shall be continuing and shall survive the payment, performance, satisfaction, discharge, cancellation, termination, release and foreclosure of this Mortgage; provided, however, that such representations, covenants, indemnities and obligations shall not apply with respect to Hazardous Materials which are first placed on the Project on or

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after the date on which the Lender or any other party obtains title to and possession of the Project pursuant to an exercise by the Lender of its remedies under this Mortgage or any of the other Loan Documents or as a result of a conveyance of title to the Project by the Mortgagor to the Lender or such other party in lieu of such exercise of remedies.

Section 2.16. Estoppel Letters. The Mortgagor shall furnish from time to time within 15 days after the Lender's request, a written statement, duly acknowledged, of the amount due upon this Mortgage and whether any alleged offsets or defenses exist against the indebtedness secured by this Mortgage.

ARTICLE III

ASSIGNMENT OF RENTS; DECLARATION OF SUBORDINATION TO LEASES

Section 3.1. Assignment of Rents. As further security for the indebtedness secured by this Mortgage, the Mortgagor and the Borrower have, concurrently herewith, executed and delivered to the Lender the Assignment of Rents, wherein and whereby, among other things, the Mortgagor and the Borrower have assigned to the Lender all rents, avails, issues and profits under all leases of the Project, and all such leases, all as therein more specifically set forth, which Assignment of Rents is hereby incorporated herein by reference as fully and with the same effect as if set forth herein at length.

Section 3.2. Further Assignment. Without limiting the generality of any other provisions hereof, and without limiting the effectiveness of the Assignment of Rents referred to in Section 3.1 hereof, as additional security, the Mortgagor hereby assigns to the Lender the rents, issues and profits of the Project and upon the occurrence of any Event of Default hereunder, the Lender may receive and collect said rents, issues and profits so long as such Event of Default shall exist and during the pendency of any foreclosure proceedings. As of the date of this Mortgage, as additional security, the Mortgagor also hereby assigns to the Lender any and all written and oral leases, whether now in existence or which may hereafter come into existence during the term of this Mortgage, or any extension hereof, and the rents thereunder, covering the Project or any portion thereof, including, but not limited to, the Leases, and any and all guarantees of the lessee's obligations under any of such leases; provided that the collection of rents by the Lender pursuant to this Section or pursuant to the Assignment of Rents shall in no way waive the right of the Lender to foreclose this Mortgage in the event of any Event of Default, but provided always, that nothing herein contained shall be construed as constituting the Lender a mortgagee in possession.

ARTICLE IV

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EVENTS OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Any of the following events shall be deemed an "Event of Default" hereunder:

- A. Mortgagor or Borrower fails to pay, when due, the principal of the Mortgage Note or any installment of interest on the Mortgage Note; or
- B. Mortgagor or Borrower fails to pay, when due, any net sales proceeds to which Lender may be entitled; or
- C. Any representation, warranty, covenant or certification made in or pursuant to the Loan Agreement, or otherwise made in writing in connection with or as contemplated by the Loan Agreement shall be incorrect or false; or
- D. Any Event of Default occurs under the Mortgage; or
- E. Any Event of Default occurs under any other Loan Documents; or
- F. The Shareholders cause a fourth mortgage or other lien to be placed on their personal residence located at 11901 South 92nd Avenue, Palos Park, Illinois, or the amount of the first mortgage on said residence exceeds \$215,000.
- G. Borrower fails to keep or perform any of its agreements, undertakings, obligations, covenants or conditions under the Loan Agreement; or
- H. Borrower fails to comply with, keep or perform any of its obligations, agreements, undertakings, covenants, conditions or warranties under the Loan Documents (other than the Mortgage Note and the Mortgage), or any of them, or any other document or instrument executed and delivered by Borrower pursuant to this Agreement; or
- I. Borrower fails to comply with (or to bond or indemnify Lender to its satisfaction with regard to) any requirement (including, without limitation, compliance with all applicable zoning, building, health, fire and environmental laws, rules, regulations and ordinances) of any governmental authority having jurisdiction within thirty (30) business days after Borrower has notice of such requirement; or
- J. Any lien or notice of lien for the performance of work or the supplying of materials is filed or served against the Project and remains unsatisfied or unbonded (in a manner satisfactory to Lender and Title Company) for a period of forty-five (45) business days after the date of filing thereof; or

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K. Any material representation to Lender by Borrower or Borrower's shareholders as to the financial condition or credit standing of Borrower or Shareholders is or proves to be false or misleading or there occurs, in the opinion of Lender, a material adverse change in the financial condition of Borrower or Shareholders; or

L. Borrower enters into any secondary or additional financing agreements or arrangements of any kind whatsoever with respect to the Project, including, without limitation, any financing secured, in whole or in part, by all or any part of or interest in the Project; or

M. Except in accordance with the provisions of the Loan Agreement, the Project, or any part thereof, is sold, conveyed, transferred, assigned, disposed of, or is further encumbered, or the Project is rezoned (except for such rezoning as does not affect the use or construction of the Project), either voluntarily or involuntarily, or any agreement for any of the foregoing is entered into, without the prior written consent of Lender; or

N. Any order or decree is entered by any court of competent jurisdiction directly or indirectly enjoining the construction or completion of the Project or enjoining or prohibiting Lender or Borrower, or either of them, from performing any of their obligations under this Agreement, and such order or decree is not vacated, and the proceedings out of which such order or decree arose are not dismissed, within twenty (20) days after the granting of such decree or order; or

O. Borrower makes an assignment for the benefit of creditors; or petitions or applies to any court for the appointment of a trustee or receiver for itself or for any substantial part of its assets or for the Project or any portion thereof, or commences any proceedings under any bankruptcy, arrangement, insolvency, readjustment of debt or reorganization statute or law of any jurisdiction, whether now or hereafter in effect; or if any such petition or application is filed or any such proceedings are commenced, and Borrower by any act indicates any approval thereof, consent thereto, or acquiescence therein; or an order is entered appointing any such trustee or receiver, or adjudicating Borrower bankrupt or insolvent, or approving the petition in any such proceeding; or if any petition or application for any such proceeding or for the appointment of a trustee or receiver is filed by any third party against Borrower or its assets or the Project, or any portion thereof, and any of the aforesaid proceedings is not dismissed within sixty (60) days of its filing; or

P. Less than fifty-one percent (51%) of the issued and outstanding shares of stock of Borrower are owned by John M. Ford.

As to all monetary defaults set forth above, Borrower shall have five (5) days to cure such default, and as to all non-monetary defaults, unless otherwise stated above, Borrower shall have twenty-one (21) days after written notice to cure such default.

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Upon the happening of any Event of Default, Lender shall have the right, if such Event of Default shall then be continuing, in addition to all the remedies conferred upon Lender by law or equity or the terms of any Loan Document, to do any or all of the following, concurrently or successively, with notice to Borrower:

A. Declare to be, and the Mortgage Note shall thereupon become, immediately due and payable without presentment, demand or protest, all of which are hereby expressly waived, anything contained herein or in the Mortgage Note to the contrary notwithstanding; or

B. Terminate Lender's obligations under this Agreement to extend credit of any kind or to make any disbursement, whereupon the commitment and obligation of Lender to extend credit or to make disbursements hereunder shall terminate; or

C. Enter upon and take possession of the Project and all material, equipment and supplies thereon and do anything necessary or desirable to complete the Project and to fulfill the obligations of Borrower hereunder and to sell, manage, maintain, repair and protect the Project. Without restricting the generality of the foregoing and for the purposes aforesaid, Borrower hereby appoints and constitutes Lender its lawful attorney-in-fact with full power of substitution (i) to pay, settle or compromise all existing bills and claims which may be liens or security interests, or to avoid such bills and claims becoming liens or security interests against the Project or any fixtures or equipment thereon or as may be necessary or desirable for the clearance of title or otherwise, (ii) to use any funds of Borrower, (iii) to make such changes to the plans and specifications as Lender may deem desirable to complete the Project, (iv) to execute all applications and certificates in the name of the Borrower which may be required to carry out the intent and purpose hereof, (v) to employ such contractors, subcontractors, architects and others as Lender may deem appropriate, (vi) to do any and every act which the Borrower might do on its own behalf including, without limitation, to enter into leases of any portion of the Project and to enter into contracts for the sale of, and to sell and convey title to the Project or any portion thereof and Borrower agrees to execute and deliver such contracts, deeds, leases and other instrument as may be required by Lender or the Title Company to carry out the intent of this Section, and to prosecute or defend any and all actions or proceedings involving the Project or any fixtures, equipment or other installations thereon, it being understood and agreed that this power of attorney shall be a power coupled with an interest and cannot be revoked. The Lender and its designees, representatives, agents, licensees and contractors shall be entitled to the entry, possession and use contemplated herein without the consent of any party and without any legal process or other condition precedent whatsoever. The Borrower acknowledges that any denial of such entry, possession and use by the Lender will cause irreparable injury and damage to the Lender and agrees that Lender may forthwith sue for any remedy to enforce

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the immediate enjoyment of such right. Borrower hereby waives the posting of any bond as a condition for granting such remedy.

D. Borrower shall be permitted to offset, to the extent possible, the balance of the Mortgage Note declared due by Lender with the proceeds of any certificates of deposit held by Lender.

In case of any default hereunder, Borrower will pay Lender's attorneys' fees and disbursements and court costs (including those relating to appeals) and all related expenses in connection with the enforcement of this Agreement or any of the Loan Documents.

E. In no event shall any default by Borrower nor shall the application or non-application of any of Lender's remedies hereunder, terminate the obligation of Borrower to make any of the payments to Lender set forth in the Loan Agreement.

Section 4.2. Foreclosure; Expense of Litigation. When the indebtedness secured by this Mortgage, or any part thereof, shall become due, whether by acceleration or otherwise, the Lender shall have the right to foreclose the lien hereof for such indebtedness or part thereof. In any suit to foreclose the lien hereof or enforce any other remedy of the Lender under this Mortgage or the Note, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of the Lender for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as the Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Project. 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 Project and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by the Lender in any litigation or proceeding affecting this Mortgage, any of the other Loan Documents or the Project, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be so much additional indebtedness secured by this Mortgage, immediately due and payable, with interest thereon at a rate of Thirteen Percent (13%) per annum. In the event of any foreclosure sale of the Project, the same may be sold in one or more parcels. All such sales shall be done in a commercially reasonable manner. The Lender may be the purchaser at any foreclosure sale of the Project or any part thereof.

Section 4.3. Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the Project or of the exercise of any other remedy hereunder shall be

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distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings or such other remedy, including all such items as are mentioned in Section 4.2 hereof; second, all other items which under the terms hereof constitute indebtedness secured by this Mortgage additional to that evidenced by the Note, with interest thereon as therein provided; third, all principal and interest remaining unpaid on the Note; and fourth, any overplus to the Mortgagor, its successors or assigns, as their rights may appear.

Section 4.4. Appointment of Receiver. Upon or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Project or any portion thereof. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of the Mortgagor at the time of application for such receiver and without regard to the then value of the Project and the Lender or any holder of the Note may be appointed as such receiver. Such receiver shall have power (i) to collect the rents, issues and profits of the Project during the pendency of such foreclosure suit, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits; (ii) to extend or modify any then existing leases and to make new leases, which extension, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness secured by this Mortgage and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon the Mortgagor and all persons whose interests in the Project are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding discharge of the indebtedness secured by this Mortgage, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser; and (iii) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Project during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of the indebtedness secured by this Mortgage, or to pay due or secured by any judgment foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale.

Section 4.5. Insurance After Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in repairing and restoring the Project, shall be used to pay the amount due in accordance with any judgment of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct.

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Section 4.6. Remedies Not Exclusive; No Waiver of Remedies. (a) The Lender shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Mortgage or under any of the other Loan Documents or other agreement or any laws now or hereafter in force, notwithstanding that some or all of the said indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or other powers herein contained, shall prejudice or in any manner affect the Lender's right to realize upon or enforce any other security now or hereafter held by the Lender, it being agreed that the Lender shall be entitled to enforce this Mortgage and any other security now or hereafter held by the Lender in such order and manner as it may in its absolute discretion determine. No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Loan Documents to the Lender or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as it may be deemed expedient by the Lender and the Lender may pursue inconsistent remedies. Failure by the Lender to exercise any right which it may exercise hereunder, or the acceptance by the Lender of partial payments, shall not be deemed a waiver by the Lender of any default or of its right to exercise any such rights thereafter.

(b) In the event the Lender at any time holds additional security for any of the indebtedness secured by this Mortgage, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before or concurrently with exercising remedies under this Mortgage or after a sale is made hereunder.

Section 4.7. No Mortgagee in Possession. Nothing herein contained shall be construed as constituting the Lender a mortgagee in possession.

Section 4.8. Waiver of Certain Rights. The Mortgagor shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but rather waives the benefit of such laws. The Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Project marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Project sold as an entirety. The Mortgagor hereby waives any and all rights of redemption from sale or from or under any order or decree of foreclosure, pursuant to rights herein granted, on behalf of the Mortgagor and all persons beneficially interested therein and each and every person acquiring any interest in or title to the Project subsequent

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to the date of this Mortgage, and on behalf of all other persons to the extent permitted by the provisions of the laws of the State in which the Project are located.

ARTICLE V MISCELLANEOUS

Section 5.1. Recitals. The recitals hereto are hereby made a part of this Mortgage.

Section 5.2. Time of Essence. Time is of the essence of this Mortgage and of each and every provision hereof.

Section 5.3. Usury. The Mortgagor hereby represents and covenants that the proceeds of the Note will be used for the purposes specified in subparagraph 1(c) contained in Paragraph 6404 of Chapter 17 of the Illinois Revised Statutes (1987), and that the indebtedness secured hereby constitutes a "business loan" within the meaning of that Paragraph.

Section 5.4. Lien for Service Charges and Expenses. At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of any and all origination fees, loan commissions, service charges, liquidated damages, expense and advances due to or incurred by the Lender in connection with the loan to be secured hereby, all in accordance with the application and any loan commitment issued in connection with this transaction.

Section 5.5. Subrogation. To the extent that proceeds of the indebtedness secured by this Mortgage are used to pay any outstanding lien, charge or prior encumbrance against the Project, the Lender shall be subrogated to any and all rights and liens owned by any owner or holder of such outstanding liens, charges and prior encumbrances, and shall have the benefit of the priority thereof, irrespective of whether said liens, charges or encumbrances are released.

Section 5.6. Recording. The Mortgagor shall cause this Mortgage and all other documents securing the indebtedness secured by this Mortgage at all times to be properly filed and/or recorded at the Mortgagor's own expense and in such manner and in such places as may be required by law in order to fully preserve and protect the rights of the Lender.

Section 5.7. Further Assurances. The Mortgagor will do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or advisable, in the judgment of the Lender, for the better assuring, conveying, mortgaging,

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assigning and confirming unto the Lender all property mortgaged hereby or property intended so to be, whether now owned by the Mortgagor or hereafter acquired.

Section 5.8. No Defenses. No action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note.

Section 5.9. Invalidity of Certain Provisions. If the lien of this Mortgage is invalid or unenforceable as to any part of the indebtedness secured by this Mortgage, or if such lien is invalid or unenforceable as to any part of the Project, the unsecured or partially secured portion of the indebtedness secured by this Mortgage shall be completely paid prior to the payment of the remaining and secured or partially secured portion thereof, and all payments made on the indebtedness secured by this Mortgage, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion thereof which is not secured or fully secured by the lien of this Mortgage.

Section 5.10. Illegality of Terms. Nothing herein or in the Note contained nor any transaction related thereto shall be construed or shall so operate either presently or prospectively, (i) to require the Mortgagor to pay interest at a rate greater than is now lawful in such case to contract for, but shall require payment of interest only to the extent of such lawful rate, or (ii) to require the Mortgagor to make any payment or do any act contrary to law; and if any provision herein contained shall otherwise so operate to invalidate this Mortgage, in whole or in part, then such provision only shall be held for naught as though not herein contained and the remainder of this Mortgage shall remain operative and in full force and effect, and the Lender shall be given a reasonable time to correct any such error.

Section 5.11. Lender's Right to Deal with Transferee. In the event of the voluntary sale, or transfer by operation of law, or otherwise, of all or any part of the Project, the Lender is hereby authorized and empowered to deal with such vendee or transferee with reference to the Project, or the debt secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might with the Mortgagor, without in any way releasing or discharging the Mortgagor from the covenants and/or undertakings hereunder, specifically including Section 2.13(d) hereof, and without the Lender waiving its rights to accelerate the Note as set forth in Section 2.13(d).

Section 5.12. Releases. The Lender, without notice, and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens, may release any part of the Project, or any person liable for any indebtedness secured hereby, without in any way affecting the liability of any party to the Note, this Mortgage, the Guaranty, or any other guaranty given as additional security for the indebtedness secured hereby and without in any way affecting the priority of the lien of this

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Mortgage, and may agree with any party obligated on said indebtedness to extend the time for payment of any part or all of the indebtedness secured hereby. Such agreement shall not, in any way, release or impair the lien created by this Mortgage, or reduce or modify the liability, if any, of any person or entity personally obligated for the indebtedness secured hereby, but shall extend the lien hereof as against the title of all parties having any interest in said security which interest is subject to the indebtedness secured by this Mortgage.

Section 5.13. Giving of Notice. All communications provided for herein shall be in writing and shall be deemed to be given or made when served personally or two business days after deposit in the United States mail, registered or certified, return receipt requested, postage prepaid, addressed as follows:

Mill Creek Development, Inc.
5620 West 95th Street
Oak Lawn, Illinois 60453
Attn: John M. Ford

with a copy to:

Thomas J. Morrison, Esq.
7667 West 95th Street
Suite 202
Hickory Hills, Illinois 60547

in the case of Lender to:

First National Bank of Blue Island
13057 South Western Avenue
Blue Island, Illinois 60406
Attn: James Jurik

with a copy to:

Stephen L. Golan, Esq.
Field Golan & Swiger
21st Floor - Three First National Plaza
Chicago, Illinois 60602

or to such party at such other address as such party may designate by notice duly given in accordance with this Section to the other party.

Section 5.14. Binding Effect. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagor and its successors and assigns (including, without limitation, each and every from time to time record owner of

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the Project or any other person having an interest therein), and shall inure to the benefit of the Lender and its successors and assigns. Wherever herein the Lender is referred to, such reference shall be deemed to include the holder from time to time of the Note, whether so expressed or not; and each such holder of the Note shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereunder, and may enforce all and every of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such from time to time holder were herein by name specifically granted such rights, privileges, powers, options and benefits and was herein by name designated the Lender.

Section 5.15. Covenants to Run with the Land. All the covenants hereof shall run with the land.

Section 5.16. Governing Law; Severability; Modification. This Mortgage shall be governed by the laws of the State of Illinois. In the event that any provision or clause of this Mortgage conflicts with applicable laws, such conflicts shall not affect other provisions hereof which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

Section 5.17. Meanings. Wherever in this Mortgage the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

Section 5.18. Captions. The captions or headings at the beginning of each Article and Section hereof are for the convenience of the parties and are not a part of this Mortgage.

Section 5.19. Approval or Consent of Lender. Wherever in this Mortgage provision is made for the approval or consent of the Lender, or that any matter is to be to the Lender's satisfaction, or that any matter is to be as estimated or determined by the Lender, or the like, unless specifically stated to the contrary, such approval, consent, satisfaction, estimate, determination or the like shall be made, given or determined by the Lender pursuant to a reasonable application of judgment in accordance with institutional lending practice and commercial custom in connection with major real estate loans.

Section 5.20. Execution by Mortgagor. This Mortgage is executed by First National Bank of Blue Island, not personally but as trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such trustee and it is expressly understood and agreed that nothing herein or in the Note contained shall be construed as creating any liability on First National Bank of Blue Island personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant

October 18, 1993

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either express or implied herein contained, all such liability, if any, being expressly waived by every person now or hereafter claiming any right or security hereunder. Nothing contained in this Section shall modify or discharge the personal liability of any guarantor or any person under or by virtue of the Guaranty or any of the other Loan Documents. First National Bank of Blue Island by its execution hereof on behalf of the Mortgagor represents and warrants that it possesses full power and authority to execute this instrument.

IN WITNESS WHEREOF, the Mortgagor has caused this instrument to be executed as of the date first above written.

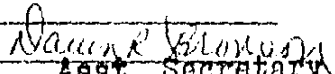
FIRST NATIONAL BANK OF BLUE ISLAND,
SOLELY AS Trustee as aforesaid
and abt personally

By 

Title: **SENIOR VICE PRESIDENT &
SENIOR TRUST OFFICER**

(SEAL)

ATTEST:

Title: 
Asst. Secretary

October 18, 1993

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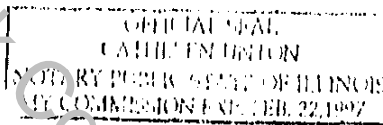
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 11 day of November 1993, by William A. Thomas and Dennis R. Peterson, ^{is Vice President} ~~is Trustee~~ and ~~is Secretary~~, respectively, of First National Bank of Blue Island, a national banking association, Trustee under a Trust Agreement dated October 5, 1993, and known as Trust No. 93049, on behalf of said Trustee.

Charles H. Maier
Notary Public



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October 18, 1993

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LEGAL DESCRIPTION

EXHIBIT A

Lot 1 in the Plat of Consolidation of Lot 2 in Crane's Subdivision of Block 1 in Frederick H. Bartlett's 95th Street and Roberts Road Subdivision of the West Half of the Southwest Quarter of the Southwest Quarter of Section 1, Township 37 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois, and the East Two Fifths of the South 332.0 Feet of the North 465.0 Feet of Block 1 in Frederick H. Bartlett's 95th Street and Roberts Road Subdivision in the West Half of the Southwest Quarter of the Southwest Quarter of Section 1, Township 37 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois, and Lot 2 in UDIC Resubdivision of the South 166.0 Feet of the North 465.0 Feet of Block 1 (Except the East Two Fifths Thereof) in Frederick H. Bartlett's 95th Street and Roberts Road Subdivision of the West Half of the Southwest Quarter of the Southwest Quarter of Section 1, Township 37 North, Range 12 East of the Third Principal Meridian and also the North 20.62 Feet of Lot 1 in Crane's Subdivision of Lot 1 in Frederick H. Bartlett's 95th Street and Roberts Road Subdivision of the West Half of the Southwest Quarter of the Southwest Quarter of Section 1, Township 37 North, Range 12 East of the Third Principal Meridian, according to the plat thereof recorded February 27, 1990, as Document No. 90092595 in Cook County, Illinois.

October 18, 1993

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PERMITTED EXCEPTIONS

EXHIBIT B

1. Taxes for the year 1993 and subsequent years.
2. Rights of the public, the municipality and the State of Illinois in and to that part of the land taken or used for road and highways, if any.
3. Drainage ditches, feeders and laterals, and other drainage easements, if any.

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