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Republic Realty Multifamily Corporation
100 South Wacker Drive
Chicago, Illinois 60606

93283733

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This instrument was prepared by:
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Republic Realty Multifamily Corporation
100 South Wacker Drive, Suite 400
Chicago, Illinois 60606

DEPT. OF REVENUE
1200 N. LAUREL ST. CHICAGO, ILL. 60642
TELEPHONE 312-462-2000
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**MULTIFAMILY MORTGAGE,
ASSIGNMENT OF RENTS AND SECURITY AGREEMENT
(Security for Construction Loan Agreement)**

THIS MORTGAGE (herein "Instrument") is made this 8th day of April 1993, between the Mortgagor/Grantor, GLENVIEW STATE BANK, an Illinois Corporation, not personally, but as Trustee under Trust Agreement dated April 1, 1993 and # whose address is 800 Waukegan Road, Glenview, Illinois 60025 (herein "Borrower"), and the Mortgagee, REPUBLIC REALTY MULTIFAMILY CORPORATION a Corporation organized and existing under the laws of Illinois whose address is 100 South Wacker Drive, Suite 400, Chicago, Illinois 60606 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of SIX MILLION AND NO/100 (\$6,000,000.00) Dollars, which indebtedness is evidenced by Borrower's note dated of even date herewith (herein "Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on May 1, 2003.

TO SECURE TO LENDER (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions and modifications thereof; (b) ~~the repayment of any future advances with interest thereon~~ made by Lender to Borrower pursuant to paragraph 30 hereof (herein "Future Advances"); (c) the performance of the covenants and agreements of Borrower contained in a Construction Loan Agreement between Lender and Borrower dated 10/10/92, if any, as provided in paragraph 35 hereof; (d) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Instrument; and (e) the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant, convey and assign to Lender ~~the leasehold estate pursuant to a lease, herein "ground lease", dated~~ between and recorded in _____

in and to the following described property located in Cook State of Illinois:

* Delete bracketed material if not completed.

Lots 1 and 2 in Cardinal Court Subdivision, being a Subdivision in the East 1/2 of the Northeast 1/4 and in the East 1/2 of the South East 1/4 of Section 28, Township 41 North, Range 11 East of the Third Principal Meridian, in Cook County, Illinois.

PIN 08-28-401-011 Vol. 50 480 Eagle Drive
(Affects Lots 1) Elk Grove Village, IL
08-28-401-012
(Affects Lot 2)

93283733

*Known as Trust No. 4195

RETURN TO:
Box 15
N24-21676-14 N.H.C.

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Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, convey and assign the Property (and, if this instrument is on a leasehold, that the ground lease is in full force and effect without modification except as noted above and without default on the part of either lessor or lessee (hereunder), that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

shall be deemed to be and remain a part of the real property covered by this instrument; and all of the foregoing, together with said property (or the leasehold estate in the event this instrument is on a leasehold) are herein referred to as the "Property".

TOGETHER with all buildings, improvements, and tenements now or hereafter erected on the property, and all herebefore or hereafter vacated alleys and streets abutting the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the property, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antiques, trees and plants, and all other personal property on the Property site, and together with the following items: unearned premiums, accrued, accruing, or to accrue under insurance policies now or hereafter in effect on the property, including replacements and additions thereto;

hereafter obtained by the Borrower and all proceeds of any conversion of the "Property" (as hereinafter defined), or any part thereof including, without limitation, proceeds of hazard and title insurance and all awards and compensation for the taking by eminent domain, condemnation, or otherwise, of all or any part of the property or any easement therein

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Property of Cook County Clerk's Office

Uniform Covenants, Borrower and Lender covenant and agrees follows.

1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, any prepayment and late charges provided in the Note and all other sums secured by this Instrument.

2. FUNDS FOR TAXES, INSURANCE AND OTHER CHARGES. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal or interest are payable under the Note (or on another day designated in writing by Lender, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of (a) the yearly water and sewer rates and taxes and assessments which may be levied on the Property, (b) the yearly ground rents, if any, (c) the yearly premium installments for fire and other hazard insurance, fire loss insurance and such other insurance covering the Property as Lender may require pursuant to paragraph 5 hereof, (d) the yearly premium installments for mortgage insurance, if any, and (e) if this Instrument is on a leasehold, the yearly fixed rents, if any, under the ground lease, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Any waiver by Lender of a requirement that Borrower pay such Funds may be revoked by Lender, in Lender's sole discretion, at any time upon notice in writing to Borrower. Lender may require Borrower to pay to Lender, in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Borrower or the Property which Lender shall reasonably deem necessary to protect Lender's interests (herein "Other Impositions"). Unless otherwise provided by applicable law, Lender may require Funds for Other Impositions to be paid by Borrower in a lump sum or in periodic installments, at Lender's option.

The Funds shall be held in an institution(s) the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said rates, rents, taxes, assessments, insurance premiums and Other Impositions so long as Borrower is not in breach of any covenant or agreement of Borrower in this Instrument. Lender shall make no charge for so holding and applying the Funds, analyzing said account or for verifying and compiling said assessments and bills, unless Lender pays Borrower interest, earnings or profits on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Instrument that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires interest, earnings or profits to be paid, Lender shall not be required to pay Borrower any interest, earnings or profits on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds in Lender's normal format showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Instrument.

If the amount of the Funds held by Lender at the time of the annual accounting thereof shall exceed the amount deemed necessary by Lender to provide for the payment of water and sewer rates, taxes, assessments, insurance premiums, rents and Other Impositions, as they fall due, such excess shall be credited to Borrower on the next monthly installment or installments of Funds due. If at any time the amount of the Funds held by Lender shall be less than the amount deemed necessary by Lender to pay water and sewer rates, taxes, assessments, insurance premiums, rents and Other Impositions, as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty days after notice from Lender to Borrower requesting payment thereof.

Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Lender may apply, in any amount and in any order as Lender shall determine in Lender's sole discretion, any Funds held by Lender at the time of application (i) to pay rates, rents, taxes, assessments, insurance premiums and Other Impositions which are now or will hereafter become due, or (ii) as a credit against sums secured by this Instrument. Upon payment in full of all sums secured by this Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

3. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Lender from Borrower under the Note or this Instrument shall be applied by Lender in the following order of priority: (i) amounts payable to Lender by Borrower under paragraph 2 hereof; (ii) interest payable on the Note; (iii) principal of the Note; (iv) interest payable on advances made pursuant to paragraph 8 hereof; (v) principal of advances made pursuant to paragraph 8 hereof; (vi) interest payable on any Future Advance, provided that if more than one Future Advance is outstanding, Lender may apply payments received among the amounts of interest payable on the Future Advances in such order as Lender, in Lender's sole discretion, may determine; (vii) principal of any Future Advance, provided that if more than one Future Advance is outstanding, Lender may apply payments received among the principal balances of the Future Advances in such order as Lender, in Lender's sole discretion, may determine; and (viii) any other sums secured by this Instrument in such order as Lender, at Lender's option, may determine; provided, however, that Lender may, at Lender's option, apply any sums payable pursuant to paragraph 8 hereof prior to interest on and principal of the Note, but such application shall not otherwise affect the order of priority of application specified in this paragraph 3.

4. CHARGES; LIENS. Borrower shall pay all water and sewer rates, rents, taxes, assessments, premiums, and Other Impositions attributable to the Property at Lender's option in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof, or in such other manner as Lender may designate in writing. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph 4, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has, or may have, priority over or equality with, the lien of this Instrument, and Borrower shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property. Without Lender's prior written permission, Borrower shall not allow any lien inferior to this Instrument to be perfected against the Property.

5. HAZARD INSURANCE. Borrower shall keep the improvements now existing or hereafter erected on the Property insured by carriers at all times satisfactory to Lender against loss by fire, hazards included within the term "extended coverage", rents and such other hazards, casualties, liabilities and contingencies as Lender (and, if this Instrument is on a leasehold, the ground lease) shall require and in such amounts and for such periods as Lender shall require. All premiums on insurance policies shall be paid, at Lender's option, in the manner provided under paragraph 2 hereof, or by Borrower making payment, when due, directly to the carrier, or in such other manner as Lender may designate in writing.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. At least thirty days prior to the expiration date of a policy, Borrower shall deliver to Lender a renewal policy in form satisfactory to Lender. If this Instrument is on a leasehold, Borrower shall furnish Lender a duplicate of all policies, renewal notices, renewal policies and receipts of paid premiums if, by virtue of the ground lease, the originals thereof may not be supplied by Borrower to Lender.

In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Borrower hereby authorizes and empowers Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's expenses incurred in the collection of such proceeds; provided however, that nothing contained in this paragraph 5 shall require Lender to incur any expense or take any action hereunder. Borrower further authorizes Lender, at Lender's option, (a) to hold the balance of such proceeds to be used to reimburse Borrower for the cost of reconstruction or repair of the Property or (b) to apply the balance of such proceeds to the payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in paragraph 3 hereof (subject, however, to the rights of the lessor under the ground lease if this Instrument is on a leasehold).

If the insurance proceeds are held by Lender to reimburse Borrower for the cost of restoration and repair of the Property, the Property shall be restored to the equivalent of its original condition or such other condition as Lender may approve in writing. Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of such plans and specifications of an architect satisfactory to Lender, contractor's cost estimates, architect's certificates, waivers of liens, sworn statements of mechanics and materialmen and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Lender may reasonably require. If the insurance proceeds are applied to the payment of the sums secured by this Instrument, any such application of proceeds to principal shall not extend or postpone the due dates of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amounts of such installments. If the Property is sold pursuant to paragraph 7 hereof or if Lender acquires title to the Property, Lender shall have all of the right, title and interest of Borrower in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Property prior to such sale or acquisition.

6. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS. Borrower (a) shall not commit waste or permit impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall restore or repair promptly and in a good and workmanlike manner all

14. ESTOPPEL CERTIFICATE. Borrower shall warrant that it has not requested from Lender a written statement, duly acknowledged, setting forth the sums secured by this instrument and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this instrument.

15. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT. This instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Lender a security interest in said items. Borrower agrees that Lender may file this instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lender, upon Lender's request, any financing statements as well as extensions, renewals and amendments thereof, and reproductions of this instrument in such form as Lender may require to perfect a security interest with respect to said items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Borrower's breach of any covenant or agreement of Borrower contained in this instrument, including the covenants to pay when due all sums secured by this instrument, Lender shall have the remedies of a secured party under the Uniform Commercial Code and, at Lender's option, may also invoke the remedies provided in paragraph 27 of this instrument as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Uniform Commercial Code or of the remedies provided in paragraph 27 of this instrument.

16. LEASES OF THE PROPERTY. As used in this paragraph 16, the word "lease" shall mean "sublease" if this instrument is on a leasehold. Borrower shall comply with and observe Borrower's obligations as landlord under all leases of the Property or any part thereof. Borrower will not lease any portion of the Property for non-residential use except with the prior written approval of Lender. Borrower, at Lender's request, shall furnish Lender with executed copies of all leases now existing or hereafter made of all or any part of the Property, and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender. All leases of the Property shall specifically provide that such leases are subordinate to this instrument; that the tenant attorns to Lender, such attornment to be effective upon Lender's acquisition of title to the Property; that the tenant agrees to execute such further evidences of attornment as Lender may from time to time request; that the attornment of the tenant shall not be terminated by foreclosure; and that Lender may, at Lender's option, accept or reject such attornments. Borrower shall not, without Lender's written consent, execute, modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter made of all or any part of the Property providing for a term of three years or more, permit an assignment or sublease of such a lease without Lender's written consent, or request or consent to the subordination of any lease of all or any part of the Property to any lien subordinate to this instrument. If Borrower becomes aware that any tenant proposes to do, or is doing, any act or thing which may give rise to any right of set-off against rent, Borrower shall (i) take such steps as shall be reasonably calculated to prevent the accrual of any right to a set-off against rent, (ii) notify Lender thereof and of the amount of said set-offs, and (iii) within ten days after such accrual, reimburse the tenant who shall have acquired such right to set-off or take such other steps as shall effectively discharge such set-off and as shall assure that rents thereafter due shall continue to be payable without set-off or deduction.

Upon Lender's request, Borrower shall assign to Lender, by written instrument satisfactory to Lender, all leases now existing or hereafter made of all or any part of the Property and all security deposits made by tenants in connection with such leases of the Property. Upon assignment by Borrower to Lender of any leases of the Property, Lender shall have all of the rights and powers possessed by Borrower prior to such assignment and Lender shall have the right to modify, extend or terminate such existing leases and to execute new leases, in Lender's sole discretion.

17. REMEDIES CUMULATIVE. Each remedy provided in this instrument is distinct and cumulative to all other rights or remedies under this instrument or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

18. ACCELERATION IN CASE OF BORROWER'S INSOLVENCY. If Borrower shall voluntarily file a petition under the Federal Bankruptcy Act, as such Act may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Borrower shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Borrower, or if Borrower shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Borrower or Borrower's property, or if the Property shall become subject to the jurisdiction of a Federal bankruptcy court or similar state court, or if Borrower shall make an assignment for the benefit of Borrower's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Borrower's assets and such seizure is not discharged within ten days, then Lender may, at Lender's option, declare all of the sums secured by this instrument to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by paragraph 27 of this instrument. Any attorney's fees and other expenses incurred by Lender in connection with Borrower's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Borrower secured by this instrument pursuant to paragraph 8 hereof.

19. TRANSFERS OF THE PROPERTY OR BENEFICIAL INTERESTS IN BORROWER; ASSUMPTION. On sale or transfer of (i) all or any part of the Property, or any interest therein, or (ii) beneficial interests in Borrower (if Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity), Lender may, at Lender's option, declare all of the sums secured by this instrument to be immediately due and payable, and Lender may invoke any remedies permitted by paragraph 27 of this instrument. This option shall not apply in case of:

- (a) transfers by devise or descent or by operation of law upon the death of a joint tenant or a partner;
- (b) sales or transfers when the transferee's creditworthiness and management ability are satisfactory to Lender and the transferee has executed, prior to the sale or transfer, a written assumption agreement containing such terms as Lender may require, including, if required by Lender, an increase in the rate of interest payable under the Note;
- (c) the grant of a leasehold interest in a part of the Property of three years or less (or such longer lease term as Lender may permit by prior written approval) not containing an option to purchase (except any interest in the ground lease, if this instrument is on a leasehold);
- (d) sales or transfers of beneficial interests in Borrower provided that such sales or transfers, together with any prior sales or transfers of beneficial interests in Borrower, but excluding sales or transfers under subparagraphs (a) and (b) above, do not result in more than 49% of the beneficial interests in Borrower having been sold or transferred since commencement of amortization of the Note; and
- (e) sales or transfers of fixtures or any personal property pursuant to the first paragraph of paragraph 6 hereof.

20. NOTICE. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this instrument or in the Note shall be given by mailing such notice by certified mail addressed to Borrower at Borrower's address stated below or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this instrument or in the Note shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

21. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; AGENTS; CAPTIONS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 19 hereof. All covenants and agreements of Borrower shall be joint and several. In exercising any rights hereunder or taking any actions provided for herein, Lender may act through its employees, agents or independent contractors as authorized by Lender. The captions and headings of the paragraphs of this instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

22. UNIFORM MULTIFAMILY INSTRUMENT; GOVERNING LAW; SEVERABILITY. This form of multifamily instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property and related fixtures and personal property. This instrument shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision of this instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this instrument or the Note which can be given effect without the conflicting provisions, and to this end the provisions of this

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Any entering upon and taking and maintaining of control of the Property by Lender or the receiver and any application of rent as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or provided herein. This assignment of rent of the Property shall terminate at such time as this instrument ceases to secure indebtedness held by Lender.

If the rent of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rent, any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by this instrument pursuant to paragraph 8 hereof. Unless Lender and Borrower agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amount shall bear interest at the highest rate which may be collected from Borrower under applicable law.

All rents and revenues collected subsequent to delivery of written notice by Lender to Borrower of the breach of any covenant or agreement of Borrower in this instrument shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rent, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges levied on the Property, and the costs of discharging any obligation or liability of Borrower as landlord of the Property and then to the sums secured by this instrument. Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or left undone by Lender under this paragraph 26.

Upon Borrower's breach of any covenant or agreement of Borrower in this instrument, Lender may in its sole discretion, by agreement or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the re-letting, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property, and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this instrument. In the event Lender elects to seek the appointment of a receiver for the Property upon Borrower's breach of any covenant or agreement of Borrower in this instrument, Borrower hereby expressly consents to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

Borrower hereby covenants that Borrower has not executed any prior assignment of said rents, and that Borrower has not performed, and will not perform, any act or has not executed, any instrument which would prevent Lender from exercising its right under this paragraph 26, and that as the time of execution of this instrument there has been no substitution or payment of any of the rents of the Property for more than two months prior to the due dates of such rents. Borrower covenants that Borrower will not, hereafter collect or accept payment of any rent of the Property more than two months prior to the due dates of such rents. Borrower further covenants that Borrower will execute and deliver to Lender such further assignments of rent and revenues of the Property as Lender may from time to time request.

36. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As part of the consideration for the indebtedness evidenced by the Note, Borrower hereby irrevocably and unconditionally assigns and transfers to Lender all the rents and revenues of the Property, including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Borrower hereby authorizes Lender or Lender's agent to collect the aforesaid rents and revenues and the proceeds therefrom and to apply the same to the payment of the indebtedness evidenced by the Note, and to apply the rents and revenues so collected to the account of Borrower, if or as intended by Borrower and Lender in this assignment of rents contained in this instrument. Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower, to apply the rents and revenues so collected to the account of Borrower, if or as intended by Borrower and Lender in this assignment of rents contained in this instrument. Upon delivery of written notice by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this instrument, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Lender shall immediately be entitled to possession of all rents and revenues of the Property, as specified in this paragraph 26 as the same become due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Borrower as trustee for the benefit of Lender only; provided, however, that the written notice by Lender to Borrower of the breach by Borrower shall contain a statement that Lender exercises its rights to such rents. Borrower agrees that commencing upon delivery of such written notice of Borrower's breach by Lender to Borrower, each tenant of the Property shall make such rent payable to and pay such rents to Lender or Lender's agent as Lender's written demand to each tenant thereof, delivered to each tenant personally, by mail or by delivering such demand to each tenant's usual place of business, without any liability on the part of said tenant to inquire further as to the existence of a default by Borrower.

From time to time, a Lender deems necessary to protect Lender's interests, Borrower shall, upon request of Lender, execute and deliver to Lender, in each form as Lender shall direct, assignments of any and all rights or claims which relate to the construction of the Property and which Borrower may have against any party supplying or who has supplied labor, materials or services in connection with construction of the Property. In case of breach by Borrower of the covenants and conditions of the Construction Loan Agreement, Lender, at Lender's option, with or without entry upon the Property, (i) may invoke any of the rights or remedies provided in the Construction Loan Agreement, (ii) may accelerate the sums amortization of the Note, and the instrument are sold by Lender, from and after such sale the Construction Loan Agreement shall cease to be a part of this instrument and Borrower shall not assert any right of set-off, counterclaim or other claim or defense arising out of or in connection with the Construction Loan Agreement, or in connection with the obligations of the Note and this instrument.

25. CONSTRUCTION LOAN PROVISIONS. Borrower agrees to comply with the covenants and conditions of the Construction Loan Agreement, if any, which is hereby incorporated by reference in and made a part of this instrument. All advances made by Lender pursuant to the Construction Loan Agreement shall be indebtedness of Borrower secured by this instrument, and such advances may be obtained as provided in the Construction Loan Agreement. All sums disbursed by Lender prior to completion of the improvement to project the security of this instrument up to the principal amount of the Note shall be treated as disbursements pursuant to the Construction Loan Agreement. All such sums shall bear interest from the date of disbursement at the rate stated in the Note, unless collection from Borrower or interest at such rate would be contrary to applicable law, in which event such amount shall bear interest at the highest rate which may be collected from Borrower under applicable law and shall be payable upon notice from Lender to Borrower requesting payment thereof.

24. WAIVER OF MARSHALLING. Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. Lender shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Borrower, any party who consents to this instrument and any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof hereby waives any and all right to require the marshaling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

23. WAIVER OF STATE OF LIMITATIONS. Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this instrument or to any action brought to enforce the Note or any other obligation secured by this instrument in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected allocated and spread over the stated term of the Note. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in this instrument or in the Note, whether considered separately or together with other charges levied in connection with this instrument and the Note, violates such law, and Borrower is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amount, if any, previously paid to Lender in excess of the amount payable to Lender pursuant to such charges as reduced shall be applied by Lender to reduce the principal of the indebtedness evidenced by the Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all indebtedness which is secured by this instrument or evidenced by the Note and which constitutes interest, as well as all other charges levied in connection with such indebtedness which constitute interest, shall be deemed to be permitted to be collected from Borrower under applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Note.

FC458206

Initials

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Non-Uniform Covenants. Borrower and Lender further covenant and agree as follows:

27. **ACCELERATION; REMEDIES.** Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, including, but not limited to, the covenants to pay when due any sums secured by this Instrument, Lender at Lender's option may declare all of the sums secured by this Instrument to be immediately due and payable without further demand and may foreclose this Instrument by judicial proceeding and may invoke any other remedies permitted by applicable law or provided herein. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorney's fees, costs of documentary evidence, abstracts and title reports.

28. **RELEASE.** Upon payment of all sums secured by this Instrument, Lender shall release this Instrument. Borrower shall pay Lender's reasonable costs incurred in releasing this Instrument.

19. **WAIVER OF HOMESTEAD AND REDEMPTION.** Borrower hereby waives all right of homestead exemption in the Property. If Borrower is a corporation, Borrower hereby waives all right of redemption on behalf of Borrower and on behalf of all other persons acquiring any interest or title in the Property subsequent to the date of this Instrument, except decree or judgment creditors of Borrower.

~~30. **FUTURE ADVANCES.** Upon request of Borrower, Lender, at Lender's option so long as this Instrument remains in full force and effect, shall be secured by this Instrument when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Instrument, not including sums advanced in accordance herewith to protect the security of this Instrument, exceed the original amount of the Note for the additional sum of US \$~~

IN WITNESS WHEREOF, Borrower has executed this Instrument or has caused the same to be executed by its representatives thereunto duly authorized.

29. **WAIVER OF HOMESTEAD AND REDEMPTION.** Mortgagor hereby waives all right of homestead exemption in the Property. To the extent permitted by applicable law, Mortgagor hereby waives all right of redemption on behalf of Mortgagor and on behalf of all other persons acquiring any interest or title in the Property subsequent to the date of this Multifamily Mortgage, and on behalf of any persons beneficially interested in Mortgagor.

30. The term "Property" wherever used in this Multifamily Mortgage expressly includes all rights of the Mortgagor and of any beneficiary of the Mortgage to receive the net proceeds from the rental, sale, hypothecation or other disposition of the Property, whether or not such rights are classified as real or personal property, and all proceeds are otherwise distributable to the beneficiaries of the Mortgage pursuant to a trust agreement.

This Mortgage is executed by GLENVIEW STATE BANK, an Illinois Corporation, not personally but as Trustee pursuant to Trust Agreement dated April 1, 1993 and known as Trust No. 4195, solely in the exercise of the power and authority conferred upon and vested in it as such Trustee (and GLENVIEW STATE BANK, an Illinois Corporation, hereby warrants that it possesses full power and authority to execute this instrument). It is expressly understood and agreed that nothing herein contained or contained in the Note which this Mortgage secures shall be construed as establishing any personal liability on GLENVIEW STATE BANK, an Illinois Corporation, personally to pay the Note or any interest that may accrue thereon or any indebtedness accruing thereunder or to perform any of the conditions herein contained, all such personal liability being expressly waived by Lender, its successors and assigns and that so far as Borrower and its successors in trust personally are concerned, Lender and its successors and assigns shall look solely to the premises described in this Mortgage which secures the Note and to the income, proceeds and avails thereof for the payment of the Note and to the beneficiaries of said Trust as set forth in paragraph B. of the Addendum to Multifamily Note which is attached to and made a part of the Note and paragraph B. of the Rider attached to and made a part of this Mortgage.

JOINDER: The undersigned, St. James II Limited Partnership, an Illinois Limited Partnership, the owner of one hundred percent (100%) of the beneficial interest under Trust 4195 with GLENVIEW STATE BANK, an Illinois Corporation, hereby consents to and joins in the foregoing Mortgage and each and every provision thereof, intending hereby to bind any interest it, its executors, administrators, principals, successors or assigns may have in this Mortgage as fully and with the same effect as if it was named as Borrower herein. Nothing herein contained shall be deemed to render it personally liable upon any obligation for the payments due under the Note or described in this Mortgage, except as specifically provided in paragraph B. of the Addendum to Multifamily Note which is attached to and made a part of the Note and paragraph B. of the Rider which is attached to and made a part of this Mortgage.

IN WITNESS WHEREOF, Borrower has executed this Instrument or has caused the same to be executed by its representatives thereunto duly authorized.

GLENVIEW STATE BANK, an Illinois Corporation, not personally, but as Trustee under Trust Agreement dated April 1, 1993 and known as Trust Number 4195

By: *Suzanne Ellen*
Title: Assistant Vice President

ATTEST: *Alice Hansen*
Title: Trust Officer

EAGLES II LIMITED PARTNERSHIP, an Illinois Limited Partnership

By: *Richard E. Lyke*
Richard E. Lyke, General Partner

By: *James R. Walsh*
James R. Walsh, General Partner

BY: SHELTER REAL ESTATE COMPANY

By: *Robert D. Brodley*
Robert D. Brodley, President

BY: P.A.G., INC.

By: *Robert Noah* VICE-PRES
Name: ROBERT NOAH

Borrower's Address: 800 Waukegan Road
Waukegan, Illinois 60025

90088733

Property of Cook County Clerk's Office

CORPORATE ACKNOWLEDGMENT

STATE OF ILLINOIS, County ss:

The foregoing instrument was acknowledged before me this

(date)

of (person acknowledging) (office) of

corporation, on behalf of the corporation, (name of corporation) (state)

My Commission Expires:

Notary Public

INDIVIDUAL ACKNOWLEDGMENT

STATE OF ILLINOIS, County ss:

I,

a Notary Public in and for said county and state, do hereby certify that personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this day of 19

My Commission Expires:

Notary Public

INDIVIDUAL LIMITED PARTNERSHIP ACKNOWLEDGMENT

STATE OF ILLINOIS, County ss:

The foregoing instrument was acknowledged before me this

(date)

by general partner on behalf of (person acknowledging) a limited partnership,

(name of partnership)

My Commission Expires:

Notary Public

CORPORATE LIMITED PARTNERSHIP ACKNOWLEDGMENT

STATE OF ILLINOIS, County ss:

The foregoing instrument was acknowledged before me this

(date)

of (name of officer) (office) a

(name of corporation)

corporation, general partner on behalf of (name of partnership) a limited partner-

ship.

My Commission Expires:

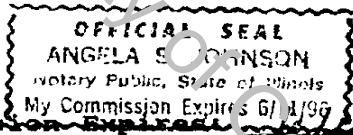
Notary Public

UNOFFICIAL COPY

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, THE UNDERSIGNED, a Notary Public in and for and residing in said County, in the State aforesaid, DO HEREBY CERTIFY THAT Suzanne Ellin, Assistant Vice President of GLENVIEW STATE BANK, an Illinois corporation, not personally, but as Trustee under Trust No. 4195, and Alice Hansen, Trust Officer ~~Secretary~~ of said corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Vice President and Trust Officer ~~Secretary~~, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth; and the said Trust Officer ~~Secretary~~ did also then and there acknowledge that ~~(he)~~ (she), as the custodian of the corporate seal of said corporation, did affix the corporate seal of said corporation to this instrument as ~~(his)~~ (her) own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 8th day of April, 1993.



Angela S. Johnson
Notary Public

My Commission Expires 6/1/96

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, Christa L. Heitkotter, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Richard E. Lyke and James R. Walsh, are personally known to me to be the General Partners of EAGLES II LIMITED PARTNERSHIP, an Illinois limited partnership, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person acknowledged that they signed and delivered the said instrument as General Partner of said Limited Partnership as their free and voluntary act and as the free and voluntary act of said Limited Partnership for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 8th day of April, 1993.

Christa L. Heitkotter
Notary Public

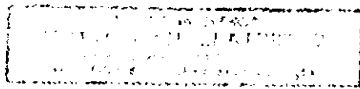
My Commission Expires:



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Property of Cook County Clerk's Office



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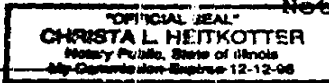
STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

I, Christa L. Heitkotter, a Notary Public in and for and residing in said County, in the state aforesaid, DO HEREBY CERTIFY THAT Robert D. Brodley, President of SHELTER REAL ESTATE COMPANY, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 8th day of April, 1993.

Christa L. Heitkotter

Notary Public



My Commission Expires: _____

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

I, Christa L. Heitkotter, a Notary Public in and for and residing in said County, in the state aforesaid, DO HEREBY CERTIFY THAT Robert Novak, Vice-President of P.A.G., INC., who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice-President, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 8th day of April, 1993.

Christa L. Heitkotter

Notary Public

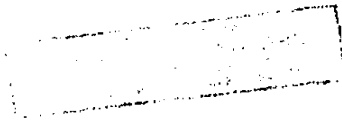
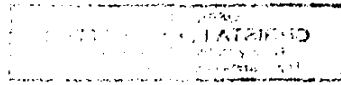


My Commission Expires: _____

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Property of Cook County Clerk's Office



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RIDER TO MULTIFAMILY INSTRUMENT

THIS RIDER TO MULTIFAMILY INSTRUMENT is made this day of April
19..93, and is incorporated into and shall be deemed to amend and supplement the Multifamily Mortgage, Deed of Trust or Deed to Secure Debt of the same date (the "Instrument") given by the undersigned (the "Borrower") to secure Borrower's Multifamily Note with Addendum to Multifamily Note of the same date (the "Note") to REPUBLIC
REALTY MULTIFAMILY CORPORATION and its successors, assigns and transferees (the "Lender"), covering the property described in the Instrument and located at:

480 Eagle Drive, Elk Grove Village, Illinois

[Property Address]

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Instrument, Borrower and Lender further covenant and agree as follows:

A. Full Prepayment Privilege With Premium

The Note provides for a full prepayment privilege with premium as follows:

1. Yield Maintenance Period

During the first seven [insert "five," "seven," or "ten," as applicable] years of the Note term beginning with the date of the Note (the "Yield Maintenance Period") and upon giving Lender 60 days prior written notice, Borrower may prepay the entire unpaid principal balance of the Note (no partial prepayments are permitted) on the Business Day before a scheduled monthly payment date by paying, in addition to the entire unpaid principal balance, accrued interest and any other sums due Lender at the time of prepayment, a prepayment premium equal to:

- (a) The product obtained by multiplying (1) the difference obtained by subtracting from the interest rate on the Note the yield rate on the 6.375% U.S. Treasury Security due January, 2000 (the "Yield Rate"), as the Yield Rate is reported in the Wall Street Journal on the fifth Business Day preceding the date notice of prepayment is given to Lender, times (2) the present value factor calculated using the following formula

$$\frac{1 - (1 + r)^{-n}}{r}$$

[r = Yield Rate

n = the number of years, and any fraction thereof, remaining between the prepayment date and the expiration of the Yield Maintenance Period]

times (3) the entire unpaid principal balance of the Note at the time of prepayment, provided, however, that in no event shall the prepayment premium be less than 0; plus

- (b) If the amount of the prepayment premium due under subparagraph (a) above is less than 1% of the entire unpaid principal balance of the Note, then an additional prepayment premium equal to 1% of the entire unpaid principal balance of the Note at the time of prepayment less any prepayment premium due under subparagraph (a) above.

In the event that no Yield Rate is published on the U.S. Treasury Security described above, then the nearest equivalent Treasury Security shall be selected at Lender's sole discretion. If the publication of such yield rates in the Wall Street Journal is discontinued, Lender shall select a security with a comparable rate and term to the U.S. Treasury Security described in subparagraph (a) above.

2. Post-Yield Maintenance Period

After the expiration of the Yield Maintenance Period and upon giving Lender 60 days prior written notice, Borrower may prepay the entire unpaid principal balance of the Note (no partial prepayments are permitted) on the Business Day before a scheduled monthly payment date by paying, in addition to the entire unpaid principal balance, accrued interest and any other sums due Lender at the time of prepayment, a prepayment premium equal to 1% of the unpaid principal balance of the Note. *

3. Premium Due Whether Voluntary or Involuntary Prepayment

Borrower shall pay the prepayment premium due under this paragraph A whether the prepayment is voluntary or involuntary (in connection with Lender's acceleration of the unpaid principal balance of the Note) or the Instrument is satisfied or released by foreclosure (whether by power of sale or judicial proceeding), deed in lieu of foreclosure or by any other means. Borrower shall not pay any prepayment premium with respect to any prepayment occurring as a result of the application of insurance proceeds or condemnation awards under the Instrument.

4. Notice; Business Day

Any notice to Lender provided for in this Addendum To Multifamily Note shall be given in the manner provided in the Instrument. The term "Business Day" for purposes of this paragraph A means any day other than a Saturday or Sunday on which Lender is open for business.

B. Borrower's Exculpation

The Note also provides for Borrower's exculpation as follows:

Subject to the provisions of this paragraph B, and notwithstanding any other provision in the Note, the personal liability of Borrower, and of any general partner of Borrower, to pay the principal of and interest on the debt evidenced by the Note and any other agreement evidencing Borrower's obligations under the Note shall be limited to (1) the real and

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The term "Hazardous Materials," for purposes of this paragraph D, includes petroleum and petroleum products (excluding a small quantity of gasoline used in maintenance equipment on the Property), flammable explosives, radioactive materials (including radioactive materials in smoke detectors), polychlorinated biphenyls, asbestos in any form that is or could become friable, hazardous waste, toxic or hazardous substances or other related materials whether in the form of a chemical, element, compound, solution, mixture or otherwise including, but not limited to, those materials defined as "hazardous substances," "extremely hazardous substances," "hazardous chemicals," "hazardous materials," "toxic substances," "toxic chemicals," "air pollutants," "toxic pollutants," "hazardous wastes," "extremely hazardous waste," or "restricted hazardous waste" by Hazardous Materials Law.

Borrower shall promptly notify Lender in writing of: (i) any enforcement, cleanup, removal or other governmental or regulatory action, investigation, or any other proceeding instituted, completed or threatened in connection with any Hazardous Materials; (ii) any suit, cause of action, or any other claim made or threatened by any third party against Borrower or the Property relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials; and (iii) Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause all or any portion of the Property to be subject to any restrictions on the ownership, occupancy, transferability or use of the Property under Hazardous Materials Law. The provisions of the preceding sentence shall be in addition to any and all other obligations and liabilities that Borrower may have to Lender under applicable law.

Borrower further agrees at all times to comply fully and in a timely manner with, and to cause all employees, agents, contractors, and subcontractors of Borrower and any other persons occupying or present on the Property to so comply with, (1) any program of operations and maintenance (O&M) relating to the Property that is required by Lender with respect to one or more Hazardous Materials, and (2) all applicable federal, state, and local laws, regulations, guidelines, codes, and other legal requirements relating to the generation, use, handling, storage, treatment, transport, and disposal of any Hazardous Materials now or hereafter located or present on or under the Property.

D. Environmental Hazards

In addition to Borrower's covenants and agreements under Uniform Covenant 6 of the Instrument ("Preservation and Maintenance of Property; Leaseholds"), Borrower further covenants and agrees that Borrower shall not (a) cause or permit the presence, use, generation, production, manufacture, processing, installation, release, discharge, storage (including above- and under-ground storage tanks for petroleum products, but excluding small containers of gasoline used for maintenance equipment or similar purposes), treatment, handling, or disposal of any Hazardous Materials on, under, in or about the Property, or in any way affecting the Property or which may form the basis for any present or future claim, demand or action seeking cleanup of the Property, or the transportation of any Hazardous Materials to or from the Property, or (b) cause or exacerbate any occurrence or condition on the Property that is or may be in violation of Hazardous Materials Law. Borrower shall take all appropriate steps to secure compliance by all tenants and subtenants on the Property with Borrower's covenants and agreements in this Paragraph D.

C. Fund for Replacements

In addition to Borrower's covenants and agreements under Uniform Covenant 2 ("Funds for Taxes, Insurance and Other Charges"), Borrower shall pay to Lender each month on the date monthly installments of principal and interest are payable under the Note, until the Note is paid in full, the amount of U.S. \$3,158,000, to maintain a fund for replacements with respect to the Property. This fund for replacements shall be held and, upon Borrower's breach of any covenant or agreement of Borrower in the instrument, applied in the manner required or permitted for Funds held by Lender under Uniform Covenant 2. No disbursement from the fund for replacements shall be made without Lender's prior written consent, provided that Lender shall promptly refund to Borrower any sums held by Lender under this paragraph C upon Borrower's payment in full of all sums secured by the Instrument.

No provision of this paragraph B shall (i) affect any guaranty or similar agreement executed in connection with the debt evidenced by the Note, (ii) release or reduce the debt evidenced by the Note, or (iii) impair the lien of the Instrument.

Borrower, and any general partner of Borrower, shall be personally liable in the amount of any loss, damage or cost resulting from (A) fraud or intentional misrepresentation by Borrower in connection with obtaining the loan evidenced by the Note, (B) insurance proceeds, condemnation awards, or other sums or payments attributable to the Property not applied in accordance with the provisions of the Instrument, except to the extent that Borrower did not have the legal right, because of a bankruptcy, receivership, or similar judicial proceeding, to direct disbursement of such sums or payments, (C) all rents, profits, issues, products and income of the Property received following any event of default under the Note or the Instrument and not applied to payment of principal and interest due under the Note (including any received or collected by or on behalf of Borrower after an event of default, except to the extent that Borrower did not have the legal right, because of a bankruptcy, receivership, or similar judicial proceeding, to direct the disbursement of such sums), and payments of utilities, taxes and assessments insurance, and ground rents, if any, on the Property, as they become due or payable, or (D) Borrower's failure to pay transfer fees and charges due Lender under the Note or the Instrument in connection with any transfer of all or any part of the Property, or any interest therein, from Borrower to Borrower's transferee, or transfer of beneficial interest in Borrower (if Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity).

Borrower, and any general partner of Borrower, shall be personally liable in the amount of any loss, damage or cost resulting from (A) fraud or intentional misrepresentation by Borrower in connection with obtaining the loan evidenced by the Note, (B) insurance proceeds, condemnation awards, or other sums or payments attributable to the Property not applied in accordance with the provisions of the Instrument, except to the extent that Borrower did not have the legal right, because of a bankruptcy, receivership, or similar judicial proceeding, to direct disbursement of such sums or payments, (C) all rents, profits, issues, products and income of the Property received following any event of default under the Note or the Instrument and not applied to payment of principal and interest due under the Note (including any received or collected by or on behalf of Borrower after an event of default, except to the extent that Borrower did not have the legal right, because of a bankruptcy, receivership, or similar judicial proceeding, to direct the disbursement of such sums), and payments of utilities, taxes and assessments insurance, and ground rents, if any, on the Property, as they become due or payable, or (D) Borrower's failure to pay transfer fees and charges due Lender under the Note or the Instrument in connection with any transfer of all or any part of the Property, or any interest therein, from Borrower to Borrower's transferee, or transfer of beneficial interest in Borrower (if Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity).

Except as provided in this paragraph B, Lender shall not seek (a) any judgment for a deficiency against Borrower, any general partner of Borrower, or Borrower's heirs, legal representatives, successors or assigns, in any action to enforce any right or remedy under the Instrument, or (b) any judgment on the Note except as may be necessary in any action brought under the Instrument to enforce the lien against the Property.

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The term "Hazardous Materials Law," for the purposes of this paragraph D, means any federal, state, or local law, ordinance or regulation or any court judgment applicable to Borrower or to the Property relating to industrial hygiene or to environmental or unsafe conditions including, but not limited to, those relating to the generation, manufacture, storage, handling, transportation, disposal, release, emission or discharge of Hazardous Materials, those in connection with the construction, fuel supply, power generation and transmission, waste disposal or any other operations or processes relating to the Property, and those relating to the atmosphere, soil, surface and ground water, wetlands, stream sediments and vegetation on, under, in or about the Property. "Hazardous Materials Law" also shall include, but not be limited to, the Comprehensive Environmental Response, Compensation and Liability Act, the Emergency Planning and Community Right-to-Know Act of 1986, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Solid Waste Disposal Act, the Clean Water Act, the Clean Air Act, the Toxic Substance Control Act, the Safe Drinking Water Act and the Occupational Safety and Health Act, and all regulations adopted in respect to the foregoing laws.

E. Hazard Insurance; Restoration of Property

Uniform Covenant 5 of the Instrument ("Hazard Insurance") is amended to add the following provisions at the end thereof:

Lender shall not exercise Lender's option to apply insurance proceeds to the payment of the sums secured by this Instrument if all the following conditions are met: (i) Borrower is not in breach or default of any covenant or agreement of this Instrument or the Note; (ii) Lender determines that there will be sufficient funds to restore and repair the property to a condition approved by Lender; (iii) Lender agrees in writing that the rental income of the Property, after restoration and repair of the Property to a condition approved by Lender, will be sufficient to meet all operating costs and other expenses, payments for reserves and loan repayment obligations relating to the Property; and (iv) Lender determines that restoration and repair of the Property to a condition approved by Lender will be completed within one year of the date of the loss or casualty to the Property.

F. Transfers of the Property or Beneficial Interests in Borrower; Assumption

Uniform Covenant 19 of the Instrument ("Transfers of the Property or Beneficial Interests in Borrower; Assumption") is amended to read as follows:

On sale or transfer of either (i) all or any part of the Property, or any interest therein (other than obsolete or worn personal property replaced by adequate substitutes of equal or greater value than the replaced items when new), or (ii) beneficial interests in Borrower (if Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity), Lender may, at Lender's option, declare all sums secured by this Instrument immediately due and payable, and Lender may invoke any remedies permitted by paragraph 27 of this Instrument. Notwithstanding the foregoing, Lender shall not be entitled to declare the above referenced sums due and payable, pursue Lender's remedies under paragraph 27 or, except as otherwise required by subparagraph (b) below, require the payment of a transfer fee in the case of:

- (a) transfers by devise or descent or by operation of law upon the death of a joint tenant or partner;
- (b) sales or transfers when the transferee's creditworthiness and management ability are satisfactory to Lender in accordance with standards customarily applied by Lender for approval of borrowers for similar properties under multifamily mortgages and when the transferee has executed, prior to the sale or transfer, a written assumption agreement containing such terms as Lender may require, including provision for processing and administration fees, and a transfer fee equal to one percent (1.0%) of the sums secured by this Instrument, provided, that such assumption agreement shall not increase the rate of interest payable under the Note or otherwise modify the payment terms thereof;
- (c) the grant of a leasehold interest in a part of the Property of three years or less (or such longer lease terms as Lender may permit by prior written approval) not containing an option to purchase (except any interest in the ground lease, if this Instrument is on a leasehold); or
- (d) sales or transfers of beneficial interests in Borrower provided that such sales or transfers, together with any prior sales or transfers of beneficial interests in Borrower, but excluding sales or transfers under subparagraphs (a) and (b) above, do not result in more than 49% of the beneficial interests in Borrower having been sold or transferred.

Initials: ~~By Signature Block, Borrower accepts and agrees to the agreements and covenants contained in this Rider to~~
~~Multifamily Instrument.~~

See Reverse Side for additional provisions (Seal)
and signature block

..... (Seal)

..... (Seal)

..... (Seal)

..... (Seal)

..... (Seal)

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BY: [Signature] VICE PRESIDENT
NAME: [Signature]

BY: P.A.G., INC.

BY: [Signature] PRESIDENT
BY: SHELTER REAL ESTATE COMPANY

BY: [Signature] GENERAL PARTNER
BY: [Signature] GENERAL PARTNER

BY: [Signature] GENERAL PARTNER
BAGLES II LIMITED PARTNERSHIP, an Illinois Limited Partnership

ATTENTION: [Signature] TRUST OFFICER

BY: [Signature] VICE PRESIDENT
GLENVIEW STATE BANK, an Illinois Corporation, not personally, but as Trustee under Trust Agreement dated April 1, 1993 and known as Trust Number 4195

BY SIGNING BELOW, Borrower accepts and agrees to the agreements and covenants contained in this Rider to Multifamily Instrument.

made a part of the Mortgage. Note which is attached to and made a part of the Note and paragraph B. of this Rider which is attached to and described in the Mortgage, except as specifically provided in paragraph B. of the Addendum to Multifamily Instrument shall be deemed to render the Borrower personally liable upon any obligation for the payments due under the Note have in the Mortgage as fully with the same effect as if it was named as Borrower herein. Nothing herein intended hereby to bind any interest in, its executors, administrators, principals, successors or assigns may Corporation, hereby consent to and joins in the foregoing Mortgage and each and every provision thereof, of one hundred percent (100%) of the beneficial interest under Trust 4195 with GLENVIEW STATE BANK, an Illinois JOINDER: The undersigned, St. James II Limited Partnership, an Illinois Limited Partnership, the owner

to Multifamily Note which is attached to and made a part of the Note and paragraph B. of this Rider. for the payment of the Note and to the beneficiaries of said Trust as set forth in paragraph B. of the Addendum and its successors in trust personally are concerned, Lender and its successors and assigns shall look solely to the premises described in the Mortgage which secures the Note and to the income, proceeds and avails thereof Mortgage in the Note which the Mortgage secures shall be construed as establishing any personal liability on GLENVIEW STATE BANK, an Illinois Corporation, personally to pay the Note or any interest that may accrue thereon or any indebtedness accruing thereunder or to perform any of the conditions herein contained, all such personal liability being expressly waived by Lender, its successors and assigns, and that so far as the Borrower and its successors in trust personally are concerned, Lender and its successors and assigns shall look solely to the premises described in the Mortgage which secures the Note and to the income, proceeds and avails thereof for the payment of the Note and to the beneficiaries of said Trust as set forth in paragraph B. of the Addendum to Multifamily Note which is attached to and made a part of the Note and paragraph B. of this Rider.

If Borrower is in default under any operations and maintenance agreement entered into in connection with the operation of the property described in the Instrument and that default remains uncured after any applicable cure period, Borrower also then will be in default under the Note and the Instrument. In that event, the entire unpaid principal balance of the Note, accrued interest and any other sums due Lender under the Note then will become immediately due and payable, at Lender's option. If Lender exercises this option to accelerate, Lender will do so in accordance with the provisions of the Note and the Instrument, and also may invoke any remedies permitted by applicable law or provided in the Note or the Instrument.

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