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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE is made as of April 29, 1993 between Cosmopolitan Bank and Trust, as Successor Trustee to The Cosmopolitan National Bank of Chicago, not personally, but solely as Trustee under Trust Agreement dated January 16, 1985 and known as Trust Number 27362 ("Mortgagor"), with an office at the address shown opposite its signature below, and Continental Bank N.A., a national banking association, whose address is 231 South LaSalle Street, Chicago, Illinois 60697 ("Lender").

RECITALS

WHEREAS, Mortgagor is indebted to Lender in the principal sum of Three Million Five Hundred Ten Thousand and 00/100 Dollars (\$3,510,000.00), which indebtedness is evidenced by a note dated of even date herewith and all modifications, substitutions, extensions and renewals thereof ("Note") providing for repayment of principal and interest and providing for a final payment of all sums due thereunder on April 29, 1996 and which indebtedness is guaranteed by Basil M. Kromelow (the "Guarantor").

THE GRANT

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all charges provided herein and all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements contained herein and in the Note, all future advances and all other indebtedness of Mortgagor or Guarantor to Lender whether now or hereafter existing (collectively, the "Secured Indebtedness" or "Indebtedness") and also for other good and valuable consideration, the receipt and sufficiency whereof is acknowledged, Mortgagor does hereby convey, grant, and mortgage to Lender the real estate ("Real Estate") located in the County of Cook, State of Illinois and described on Exhibit A, subject only to the covenants, conditions, easements and restrictions set forth on Exhibit B, if any ("Permitted Encumbrances"). The Real Estate has the common street address of 20 East Delaware, Chicago, Illinois ("Premises Address");

TOGETHER WITH the following described property, all of which other property is pledged primarily on a parity with the Real Estate and not secondarily:

- (a) all buildings, structures and other improvements of every kind and description now or hereafter erected, situated, or placed upon the Real Estate ("Improvements"), together with any and all Personal Property (as defined in Paragraph (1) below), attachments now or hereafter owned by Mortgagor and

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located in or on, forming part of, attached to, used or intended to be used in connection with, or incorporated in any such Improvements including all extensions, additions, betterments, renewals, substitutions and replacements to any of the foregoing;

(b) all estate, claim, demand, right, title and interest of Mortgagor now owned or hereafter acquired, including without limitation, any after-acquired title, franchise, license, remainder or reversion, in and to (i) any land or vaults lying within the right-of-way of any street, avenue, way, passage, highway, or alley, open or proposed, vacated or otherwise, adjoining the Real Estate; (ii) any and all alleys, sidewalks, streets, avenues, strips and gores of land belonging, adjacent or pertaining to the Real Estate and Improvements; (iii) storm and sanitary sewer, water, gas, electric, railway and telephone services relating to the Real Estate and Improvements; (iv) all development rights, air rights, water, water rights, water stock, gas, oil, minerals, coal and other substances of any kind or character underlying or relating to the Real Estate or any part thereof; and (v) each and all of the tenements, hereditaments, easements, appurtenances, other rights, liberties, reservations, allowances, and privileges relating to the Real Estate or the Improvements or in any way now or hereafter appertaining thereto, including homestead and any other claim at law or in equity;

(c) all leasehold estates, right, title and interest of the Mortgagor in any and all leases, sub-leases, management agreements, arrangements, concessions or agreements, written or oral, relating to the use and occupancy of the Real Estate and Improvements or any portion thereof, now or hereafter existing or entered into (collectively "Leases");

(d) all rents, issues, profits, royalties, revenue, advantages, income, avails, claims against guarantors, all cash or security deposits, advance rentals, deposits or payments given and other benefits now or hereafter derived directly or indirectly from the Real Estate and Improvements under the Leases or otherwise (collectively "Rents");

(e) all contract rights, accounts, accounts receivable and other receivables, including, without limitation, revenues, rentals, rent equivalents, receipts, income and profits from guest rooms, meeting rooms, food and beverage facilities, vending machines, telephone systems, guest laundry, and any other items of revenue, receipts or income as identified in the Uniform System of Accounts for Hotels 8th Edition, International Association of Hospitality Accountants (1986), as from time to time amended, whether now in existence

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or hereafter arising, whether written or oral, covering or relating to any or all thereof or to the Real Estate or Improvements;

(f) all right, title and interest of Mortgagor in and to all options to purchase or lease the Real Estate or Improvements or any portion thereof or interest therein, or any other rights, interests or greater estates in the rights and properties comprising the Premises now owned or hereafter acquired by the Mortgagor;

(g) any interests, estates or other claims of every name, kind or nature, both in law and in equity, which Mortgagor now has or may acquire in the Real Estate and Improvements or other rights, interests or properties comprising the Premises now owned or hereafter acquired;

(h) all goodwill, trademarks, trade names, option rights, books and records, and general intangibles of the Mortgagor relating to the Real Estate or Improvements, and all accounts, contract rights, instruments, chattel paper and other rights of the Mortgagor for payment of money, for property sold or lent for services rendered, for money lent, or for advances or deposits made relating to the Real Estate or Improvements;

(i) all rights of the Mortgagor to any and all plans and specifications, designs, drawings and other matters prepared for any construction on the Real Estate or to the Improvements;

(j) all rights of the Mortgagor under any contracts executed by the Mortgagor with any provider of goods or services for or in connection with any construction undertaken on or services performed or to be performed in connection with the Real Estate or Improvements, including, without limitation, any management agreement in connection with the conduct of the unit rental and/or hotel business on the Real Estate;

(k) all rights of the Mortgagor as seller or borrower under any agreement, contract, understanding or arrangement pursuant to which the Mortgagor has, with the prior written consent of the Lender, obtained the agreement of any person or entity to pay or disburse any money for the Mortgagor's sale (or borrowing on the security) of the Premises or any part thereof;

(l) all right, title and interest of the Mortgagor in and to all tangible personal property ("Personal Property"), owned by Mortgagor and now or at any time hereafter located

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in, on or at the Real Estate or Improvements or used or useful in connection with the ownership, improvement, and/or operations of the Real Estate or the Improvements, and any replacements thereof and/or substitutions therefor, including, but not limited to:

(i) all furniture, furnishings and equipment furnished by the Mortgagor to occupants of the Real Estate or Improvements (but expressly excluding from the term Personal Property any furniture, equipment, trade fixtures, furnishings or other property of or owned by the occupants of the Premises);

(ii) all building materials and equipment located upon the Real Estate and intended for construction, reconstruction, alteration, repair or incorporation in or to the Improvements now or hereafter to be constructed thereon, whether or not yet incorporated in such Improvements (all of which shall be deemed to be included in the Premises upon delivery thereto);

(iii) all machines, machinery, fixtures, apparatus, equipment or articles used in supplying heating, gas, electricity, air-conditioning, water, light, power, plumbing, sprinkler, waste removal, refrigeration, ventilation, and all fire sprinklers, alarm systems, protection, electronic monitoring equipment and devices;

(iv) all window, structural, maintenance and cleaning equipment and rigs;

(v) all furniture, including without limitation, tables, chairs, planters, desks, sofas, shelves, lockers and cabinets, wall beds, wall sofas and other furnishings;

(vi) all rugs, carpets and other floor coverings, curtains, draperies, drapery rods and brackets, awnings, window shades, venetian blinds, curtains and linens;

(vii) all lamps, chandeliers and other lights;

(viii) all electronic and other recreational equipment and materials;

(ix) all right, title, and interest of Mortgagor in all personal property owned and to be owned and used and to be used in connection with the improvement and/or operations of the Real Estate and/or the conduct of the business of Mortgagor and its associates and agent thereupon, including, without limitation, communications

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equipment, business equipment and inventories, files, calculators, computers, office machines, books of account, records, supplies and equipment relating to tenant services, related inventories, construction supplies and equipment relating to the construction and improvement of the Real Estate;

(i) all (A) restaurant property, inventory and equipment, including but not limited to, tables, chairs, service equipment, wall decor, lighting, glassware, linens, china and silver, (B) cocktail lounge and bar property, inventory and equipment, including but not limited to, carpeting, chairs, tables, wall decor, bar service equipment, lighting, glassware, linens, china and silver, (C) meeting room/function hall fixtures and equipment including, but not limited to, carpeting, chairs, tables, audio-visual equipment, wall decor, lighting, linens, glassware, china, silver and banquet room service equipment, (D) lobby and front desk equipment including, but not limited to, sofas, chairs, desks, wall decor, lighting and carpeting, and (E) all housekeeping/maintenance area equipment including, but not limited to, linens, glassware, silver, china, desks, tables, chairs, tools, spare parts, heaters and heat controls;

(ix) all equipment, including without limitation, refrigerators, ovens, stoves, dishwashers, range hoods, exhaust systems and disposal units;

(x) all laundry equipment and supplies, including, without limitation, washers and dryers;

(xi) all tractors, mowers, sweepers, snow removers, motor vehicles and other equipment used in the maintenance of the Real Estate or Improvements;

(xii) all fixtures and personal property now or hereafter owned by Mortgagor and attached to or contained in and used or useful in connection with the ownership, improvement, and/or business operations of the Real Estate or the Improvements now or hereafter located thereon, including, without limitation, any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, bidets, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, escalators, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges,

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recreational facilities, refrigerator, screens, security systems, shades, shelving, sinks, sprinklers, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals, replacements or substitutions, whether or not attached to such Improvements. All such property owned by Mortgagor and placed by it on the Real Estate or used in connection with the operation or maintenance shall, so far as permitted by law, be deemed for the purposes of this Mortgage to be part of the real estate constituting and located on the Real Estate and covered by this Mortgage. As to any of the property that is not part of such real estate or does not constitute a "fixture," as such term is defined in the Uniform Commercial Code of the State, this Mortgage shall be deemed to be a security agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in property, which Mortgagor hereby grants to the Lender as "secured party" as defined in the Code. The enumeration of any specific items of Personal Property set forth herein shall in no way exclude or be held to exclude any items of property not specifically enumerated, nor shall such enumeration be construed as a representation or warranty by Mortgagor that such items of Personal Property exist;

(m) all the estate, interest, right, title or other claim or demand which Mortgagor now has or may hereafter have or acquire with respect to (i) proceeds of insurance in effect with respect to the Premises and (ii) any and all awards, claims for damages, judgments, settlements and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Premises, including, without limitation, any awards and compensation resulting from a change of grade of streets and awards and compensation for severance damages (collectively "Awards").

All of the foregoing are declared to be a part of the Real Estate whether physically attached or not. All similar apparatus, equipment, articles and fixtures hereafter placed on the Real Estate by Mortgagor or its successors or assigns shall be considered as constituting part of the Real Estate. (All of the foregoing, together with the Real Estate (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Premises".)

To have and to hold the Premises unto the Lender, its successors and assigns forever, for the purposes and uses set forth herein, free from all rights and benefits under any Homestead Exemption laws of the state in which the Premises is located, which

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rights and benefits Mortgagor does hereby expressly release and waive.

COVENANTS AND AGREEMENTS

Mortgagor and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Mortgagor shall promptly pay or cause to be paid when due all Secured Indebtedness.

2. Funds for Taxes and Insurance. Subject to applicable law, if requested by Lender in event of a default, Mortgagor shall thereafter pay or cause to be paid to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, the following amounts (collectively "Funds"): (i) a sum equal to all general and special real estate and property taxes and assessments (including condominium and planned unit development assessments, if any) and ground rents on the Premises, if any (collectively "Impositions") next due on the Premises, all as estimated by Lender, divided by the whole number of months to elapse before the month prior to the date when such Impositions will become due and payable; provided that in the case of the first such deposit, there shall be deposited in addition an amount which, when added to the aggregate amount of monthly sums next payable under this subparagraph (i), will result in a sufficient reserve to pay the Impositions next becoming due one month prior to the date when such Impositions are, in fact, due and payable, plus (ii) a sum equal to an installment of the premium or premiums that will become due and payable to renew the insurance required in Paragraph 6, each installment to be in such an amount that the payment of approximately equal installments will result in the accumulation of a sufficient sum of money to pay renewal premiums for such insurance at least one (1) month prior to the expiration or renewal date or dates of the policy or policies to be renewed; if any, all as are reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held by Lender or, at Lender's election, in escrow in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency ("depository account"). Lender shall apply the Funds to pay the Impositions, except that in the event of default, Lender may apply the Funds to the Secured Indebtedness as Lender sees fit. Lender shall not be required to pay any interest or earnings on the Funds unless otherwise required by law, in which case, all interest shall accrue in the depository account and Lender may charge for so holding and applying the Funds, analyzing the account or verifying and compiling assessments and bills. Upon Mortgagor's request, Lender shall provide to Mortgagor an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which

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each debit was made. The Funds are pledged as additional security for the sums secured by this Mortgage. The Funds are for the benefit of Mortgagor and Lender only and no third party shall have any right to or interest in the Funds or the application thereof.

If the amount of Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of Impositions, shall exceed the amount required to pay said Impositions and insurance premiums as they fall due, such excess shall be retained by Lender or in the depository account and credited to subsequent monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay the Impositions and insurance premiums as they fall due, Mortgagor shall immediately pay or cause to be paid to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of all Secured Indebtedness, Lender shall promptly refund to Mortgagor, or to any person to whom Mortgagor directs, any Funds held by Lender. If, under Paragraph 19, the Premises are sold or are otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Premises or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the Secured Indebtedness.

3. Application of Payments. Unless prohibited by applicable law, all payments received by Lender under this Mortgage, the Note, the Loan Agreement, and all other documents given to Lender to further evidence, secure or guarantee the Secured Indebtedness (collectively, and as amended, modified or extended, the "Loan Documents") shall be applied by Lender first to payments required from Mortgagor to Lender under Paragraph 3, then to any sums advanced by Lender pursuant to any of the Loan Documents to protect the security of this Mortgage or any of the other Loan Documents and any costs or expenses in connection therewith, then to interest payable on the Note and to any prepayment fee or premium which may be due, and then to Note principal (and if principal is due in installments, application shall be to such installments in the inverse order of their maturity).

Any applications to principal of proceeds from insurance policies, as provided in Paragraph 6, or of condemnation awards, as provided in Paragraph 10, shall not extend or postpone the due date of any monthly installments of principal or interest, or change the amount of such installments or of the other charges or payments provided in the Note or other Loan Documents.

4. Prior Encumbrances; Liens. Mortgagor shall perform all of Mortgagor's obligations under any mortgage, deed of trust or other security agreement (collectively "Prior Encumbrances") creating a lien having priority over this Mortgage, including

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Mortgagor's covenants to make payments when due. Any act or omission of Mortgagor which, with the giving of notice or the passage of time would constitute a default or event of default under any Prior Encumbrance or under any ground lease shall be a default under this Mortgage. Mortgagor shall promptly deliver to Lender all notices given or received of any defaults or events of default under any Prior Encumbrance or any ground lease. Although this Paragraph requires Mortgagor to comply with Prior Encumbrances, it does not entitle Mortgagor to create or allow a Prior Encumbrance that would be otherwise prohibited by this Mortgage, such as Prohibited Transfers under Paragraph 17, or prohibited by the other Loan Documents.

Mortgagor shall keep the Premises free from mechanics' and all other encumbrances and liens (except Permitted Encumbrances and statutory liens for real estate taxes and assessments not yet due and payable); provided, however, that Mortgagor may in good faith, by appropriate proceedings, contest the validity, applicability or amount of any asserted lien and, pending such contest, Mortgagor shall not be deemed to be in default hereunder if Mortgagor shall first deposit with Lender a bond or other security satisfactory to Lender in the amount of one hundred fifty percent (150%) of the amount of such lien. Mortgagor shall pay the disputed amount and all interest and penalties due in respect thereof on or before the date any adjudication of the validity or amount thereof becomes final and, in any event, no less than thirty (30) days prior to any foreclosure sale of the Premises or the exercise of any other remedy by such claimant against the Premises.

5. Taxes and Assessments; Rents. Mortgagor shall pay or cause to be paid when due all Impositions and water, sewer and other charges, fines and Impositions attributable to the Premises and leasehold payments, if any, and all other sums due under any ground lease attributable to the Premises. Mortgagor shall provide evidence satisfactory to Lender of compliance with these requirements promptly after the respective due dates for payment. Mortgagor shall pay, in full, but under protest in the manner provided by Statute, any tax or assessment Mortgagor desires to contest.

6. Insurance. Mortgagor shall insure and keep insured the Premises against such perils and hazards, and in such amounts and with such limits, as Lender may from time to time require, and, in any event, including:

(a) Insurance against loss to the Premises on a policy form covering insurance risks no less broad than those covered under a Standard Multi Peril (SMP) policy form, which contains a 1987 Commercial ISO "Causes of Loss - Special Form", and insurance against such other risks as the Lender may reasonably require, in amounts (but in no event less than the

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initial stated principal amount of the Note) equal to the full replacement cost of the Premises, including the fixtures and equipment, and Mortgagor's interest in any leasehold improvements, plus the increased cost of reconstruction to conform with current code or ordinance requirements and the cost of debris removal. Such policies shall also contain an agreed amount endorsement and deductibles which are in amounts acceptable to Lender;

(b) Commercial general public liability insurance against death, bodily injury and property damage arising in connection with the Premises. Such policy shall be written on a 1986 Standard ISO occurrence basis form or equivalent form, shall list Mortgagor as the named insured, shall designate thereon the location of the Premises and have limits of at least \$2,000,000.00 per occurrence for personal injury and death. Mortgagor shall also obtain excess umbrella liability insurance with limits of at least \$5,000,000.00 per occurrence for personal injury and death.

(c) Rent and rental value/extra expense insurance (or, at the discretion of Lender, business interruption insurance) in amount sufficient to pay during any period of up to one (1) year in which the Premises may be damaged or destroyed, on a gross rents (or income, as appropriate) basis, (i) all rents derived from the Premises and (ii) all amounts (including, but not limited to, all Impositions, utility charges and insurance premiums) required to be paid by Mortgagor or by tenants of the Premises;

(d) Broad form boiler and machinery insurance, including business interruption/extra expense and rent and rental value insurance, on all equipment and objects customarily covered by such insurance (if any are located at the Premises) and/or involved in the heating, cooling, electrical and mechanical systems of the Premises, providing for full repair and replacement cost coverage, and other insurance of the types and in amounts as the Lender may reasonably require, but in no event less than that customarily carried by persons owning or operating like properties;

(e) During the making of any alterations or improvements to the Premises (i) insurance covering claims based on the owner's or employer's contingent liability not covered by the insurance provided in subsection (b) above and (ii) Worker's Compensation insurance covering all persons engaged in such alterations or improvements;

(f) Insurance against loss or damage by flood or mud slide in compliance with the Flood Disaster Protection Act of 1973, as amended from time to time, if the Premises are now,

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or at any time while the Secured Indebtedness remains outstanding shall be, situated in any area which an appropriate governmental authority designates as a flood or mud slide hazard area or the like, in amounts equal to the full replacement value of all above grade structures on the Premises;

(g) Such other insurance relating to the Premises and the use and operation thereof as Lender may, from time to time, reasonably require, including, but not limited to, dramshop, products liability and garage keeper's insurance.

All insurance shall: (i) be in form and content, and shall be carried in companies, approved by Lender; (ii) provide thirty (30) days' advance written notice to Lender before cancellation, material modification or notice of non-renewal; and (iii) provide that no claims shall be paid thereunder without ten (10) days' advance written notice to Lender.

Any notice pertaining to insurance and required pursuant to this Paragraph 6 shall be given in the manner provided in Paragraph 15 below. Originals of all policies and renewals (or certificates evidencing the same), marked "paid," shall be delivered to Lender at least thirty (30) days before the expiration of existing policies. If Lender has not received satisfactory evidence of such renewal or substitute insurance in the time frame herein specified, Lender shall have the right, but not the obligation, upon two (2) business days prior notice to Mortgagor to purchase such insurance for Lender's interest only. Any amounts so disbursed by Lender pursuant to this Paragraph 6 shall be a part of the Secured Indebtedness and shall bear interest at the default interest rate provided in the Note (the "Default Rate"). Nothing contained in this Paragraph 6 shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account of this Paragraph 6.

Mortgagor shall not carry any separate insurance on the Premises concurrent in kind or form with any insurance required hereunder or contributing in the event of loss without Lender's prior written consent, and any such policy shall have attached a standard non-contributing mortgagee clause and with loss payable to Lender, and shall meet all other requirements set forth herein. Mortgagor shall give immediate notice of any casualty loss to Lender.

All physical damage policies and renewals shall contain a standard mortgage clause naming the Lender as mortgagee, which clause shall expressly state that any breach of any condition or warranty by Mortgagor shall not prejudice the rights of Lender under such insurance; and a loss payable clause in favor of Lender

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for personal property, contents, inventory, equipment, loss of rents and business interruption. All liability policies and renewals shall name the Lender as an additional insured. No additional parties shall appear in the mortgage or loss payable clause without Lender's prior written consent, which consent will not be unreasonably withheld. All deductibles shall be in amounts acceptable to Lender. In the event of the foreclosure of this Mortgage or any other transfer of title to the Premises in full or partial satisfaction of the Secured Indebtedness, all right, title and interest of Mortgagor in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee.

At Lender's option and expense, but not more often than annually, Mortgagor shall provide Lender with a report from an independent insurance consultant of regional or national prominence, acceptable to Lender, certifying that Mortgagor's insurance is in compliance with this Paragraph 6.

In case of loss covered by any of such policies, Lender is authorized to adjust, collect and compromise in its discretion all claims in excess of \$200,000.00 thereunder (and any claims for less than that amount which Mortgagor does not diligently pursue) and in such case, the Mortgagor covenants to sign upon demand, or the Lender may sign or endorse on the Mortgagor's behalf, all necessary proofs of loss, receipts, releases, and other papers required by the insurance companies to be signed by the Mortgagor. Mortgagor hereby irrevocably appoints Lender as its attorney-in-fact for the purposes set forth in the preceding sentence. Lender may deduct from such insurance proceeds any expenses, which are not otherwise recovered by Lender, incurred by Lender in the collection and settlement thereof, including, but not limited to, attorneys' and adjusters' fees and charges.

7. Use, Preservation and Maintenance of Premises. Mortgagor shall keep the Premises in good condition and repair and shall not commit waste or permit impairment or deterioration of the Premises, ordinary wear and tear excepted. Mortgagor shall not allow, store, treat or dispose of Hazardous Material as defined in Paragraph 25, nor permit the same to exist or be stored, treated or disposed of, from or upon the Premises except in accordance with all applicable laws. Subject to Paragraph 10A below, Mortgagor shall promptly restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or destroyed. Mortgagor shall comply with all requirements of law or municipal ordinances with respect to the use, operation, and maintenance of the Premises, including all environmental, health and safety laws and regulations, and shall make no material alterations in the Premises which diminish the value of the Premises. Mortgagor shall not grant or permit any easements, licenses, covenants or declarations of use against the Premises. Mortgagor shall: (a) suffer or permit

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no change in the general nature of the occupancy of the Premises without the Lender's prior written consent; (b) pay when due all operating costs of the Premises; (c) not do anything whatsoever to depreciate or impair the value of the Premises or the security of this Mortgage; (d) refrain from any action and correct any condition which would increase the risk of fire or other hazard to the Improvements; and (e) cause the Premises to be managed in a competent and professional manner.

8. Protection of Lender's Security. If Mortgagor fails to perform any of the covenants and agreements contained in this Mortgage, the Note or the other Loan Documents, or if any action or proceeding is threatened or commenced which materially affects Lender's interest in the Premises, then Lender, at Lender's option, upon fifteen (15) days' prior notice to Mortgagor, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as it deems expedient or necessary to protect Lender's interest, including (i) making repairs; (ii) discharging Prior Encumbrances in full or part; (iii) paying, settling, or discharging tax liens, mechanics' or other liens, and paying ground rents (if any) to the extent that they are due and payable; (iv) procuring insurance, subject to Paragraph 6 above; and (v) renting, operating and managing the Premises and paying operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises shall be operational and usable for its intended purposes. Lender, in making such payments of Impositions and assessments, may do so in accordance with any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of same or into the validity thereof.

Any amounts disbursed by Lender pursuant to this Paragraph 8 shall be a part of the Secured Indebtedness and shall bear interest at the default interest rate provided in the Note (the "Default Rate"). Nothing contained in this Paragraph 8 shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account of this Paragraph 8.

9. Inspection of Premises and Books and Records. Upon reasonable prior notice, Mortgagor shall permit Lender and its representatives and agents to inspect the Premises from time to time during normal business hours and as frequently as Lender requests. Mortgagor shall keep and maintain full and correct books and records showing in detail the income and expenses of the Premises. From time to time upon not less than five (5) days demand, Mortgagor shall permit Lender or its agents to examine and copy such books and records and all supporting vouchers and data at its offices or at the Premises Address.

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10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Premises, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid directly to Lender. Mortgagor hereby grants a security interest to Lender in and to such proceeds.

10A. Application of Insurance and Condemnation Proceeds.

(a) If all or any part of the Premises shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Paragraph 10, Mortgagor shall promptly and with all due diligence restore and repair the Premises whether or not the net insurance proceeds, award or other compensation (collectively, the "Proceeds") are sufficient to pay the cost of such restoration or repair. All compensation, awards, proceeds, damages, claims, insurance recoveries, Awards, rights of action and payments which Mortgagor may receive or to which Mortgagor may become entitled with respect to the Premises or any part thereof in the event of any damage or injury to or a partial condemnation or other partial taking of the Premises shall be paid over to Lender and shall be applied first toward reimbursement of all costs and expenses of Lender in connection with recovery of the same, and then shall be applied, as follows:

(1) Lender shall consent to the application of such payments to the restoration of the Premises so damaged if and only if Mortgagor fulfills all of the following conditions not waived in writing by Lender (a breach of any one of which shall constitute an Event of Default under this Mortgage and shall entitle Lender to exercise all rights and remedies Lender may have in such event): (i) that no Default shall exist under this Mortgage, the Note, or any other Loan Document; (ii) that Mortgagor has in force rental continuation and business interruption insurance covering the longer of one (1) year or the time Lender reasonably estimates will be necessary to complete such restoration and rebuilding; (iii) Lender is satisfied that during the period from the time of damage or taking until restoration and rebuilding is completed (the "Gap Period") Mortgagor's net income from (x) all Leases which may continue without abatement of rent during such Gap Period, plus (y) all Leases in effect during the Gap Period without abatement of rent which Mortgagor may obtain in substitution for any of the same which did not continue during such Gap Period, plus (z) the proceeds of rental continuation and business interruption insurance, is sufficient to maintain debt service coverage no less than the greater of the debt service coverage prior to said damage, injury, partial condemnation or partial taking, and 1.1 to 1.0; (iv) the Lender is satisfied that the insurance or Award proceeds shall be sufficient to fully restore and rebuild the Premises, to at least equal size, value and usefulness as prior to the event

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giving rise to the receipt of such proceeds, free and clear of all liens except the lien of this Mortgage and the Permitted Encumbrances, or in the event that such proceeds are in Lender's sole judgment insufficient at any time to so restore and rebuild the Premises, then Mortgagor shall deposit the shortfall with Lender (for purposes of determining whether the insurance or Award proceeds are sufficient to restore the Premises, Lender may require satisfactory evidence from Mortgagor of the estimated cost of completion of such restoration or repair); (v) that the excess of said insurance or award proceeds above the amount necessary to complete such restoration or rebuilding, if any, shall be applied as a credit upon any portion, as selected by Lender, of the Secured Indebtedness; (vi) construction and completion of restoration and rebuilding of the Premises shall be completed in accordance with plans and specifications and drawings submitted to and approved by Lender, which plans, specifications and drawings shall not be substantially modified, changed or revised without the Lender's prior written consent and shall be in conformity with all governmental regulation, including (without limitation) building, zoning, land use and environmental regulations; (vii) Lender shall also have approved all prime and subcontractors, and the general contract or contracts the Mortgagor proposes to enter into with respect to the restoration and rebuilding; (viii) any and all monies which are made available for restoration and rebuilding hereunder shall be disbursed through Lender, Chicago Title and Trust Company, or a title insurance and trust company satisfactory to Lender, in accord with standard construction lending practice (including, if requested by Lender, architects' certificates, lien waivers, contractors' sworn statements, title insurance date-downs, plats of survey, the provision of payment and performance bonds by Mortgagor and other evidence of cost, payment and performance acceptable to Lender), or in any other manner approved by Lender in Lender's sole discretion; (ix) Lender is satisfied in Lender's sole discretion that the debt service coverage after such rebuilding and restoration shall be no less than 1.1 to 1.0; (x) the insurer shall waive all right of subrogation it may have after payment of the insurance proceeds to Lender; (xi) that Mortgagor is not in default under any of the terms, covenants and conditions of any of the Leases; and (xii) that the Leases shall continue in full force and effect.

(2) If less than all of conditions (i) through (xii) in subsection (1) above are either satisfied or waived by Lender, then such payments shall be applied to the payment or prepayment of any Secured Indebtedness in such order as Lender may determine.

(b) If any material part of the Premises is damaged or destroyed and the loss is not adequately covered by insurance proceeds collected or in the process of collection, Mortgagor shall deposit, within ten (10) days of the Lender's request therefor, the amount of the loss not so covered.

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(c) All compensation, awards, proceeds, damages, claims, insurance recoveries, Awards, rights of action and payments which Mortgagor may receive or to which Mortgagor may become entitled with respect to the Premises in the event of a total condemnation or other total taking of the Premises shall be paid over to Lender and shall be applied first toward reimbursement of all costs and expenses of Lender in connection with recovery of the same, and then shall be applied to the payment or prepayment of any Secured Indebtedness in such order as Lender may determine, until the Secured Indebtedness has been paid and satisfied in full. Any overplus remaining after payment and satisfaction of the Secured Indebtedness shall be paid to Mortgagor as its interest may appear.

(d) Any application of such amounts or any portion thereof to any Secured Indebtedness shall not be construed to cure or waive any default or notice of default hereunder or invalidate any act done pursuant to any such default or notice.

(e) Notwithstanding anything to the contrary contained herein, if the zoning, building or other land use ordinances then in effect governing the Premises do not permit the rebuilding or restoration of all of the Premises which has been damaged or destroyed, then the Mortgagor hereby agrees that any loss paid under any insurance policy insuring the Premises shall be applied to the payment or prepayment of any Secured Indebtedness in such order as Lender may determine in its sole discretion.

(f) In the event that insurance or condemnation proceeds are applied to reduce the Secured Indebtedness, any such application shall constitute a prepayment, and any prepayment fee or premium required by the Loan Documents shall then be due and payable as provided therein. Lender may apply the insurance or condemnation proceeds to such prepayment fee or premium.

11. Mortgagor Not Released; Forbearance by Lender Not a Waiver; Remedies Cumulative. Any extension or other modification granted by Lender to any successor in interest of Mortgagor of the time for payment of all or any part of the Secured Indebtedness shall not operate to release, in any manner, Mortgagor's liability. Any forbearance or inaction by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the later exercise of any such right or remedy. Any acts performed by Lender to protect the security of this Mortgage, as authorized by Paragraph 8 or otherwise, shall not be a waiver of Lender's right to accelerate the maturity of the Indebtedness. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively. No consent or waiver by Lender to or of any breach or default by Mortgagor shall be deemed a consent or waiver to or of any other breach or default.

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12. Successors and Assigns Bound: Joint and Several Liability: Co-signers. The covenants and agreements contained herein shall bind, and the rights hereunder shall inure to, the respective heirs, executors, legal representatives, successors and permitted assigns of Lender and Mortgagor. If this Mortgage is executed by more than one Mortgagor, each Mortgagor shall be jointly and severally liable hereunder.

13. Excess Loan Charges. If the Loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Mortgagor or Guarantor which exceeded permitted limits ("Excess Loan Charges") will, at Lender's option, either be refunded or applied as a credit against the then outstanding principal balance or accrued and unpaid interest thereon. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. Neither Mortgagor nor any other guarantor or obligor on the Note shall have any action against Lender for any damages whatsoever arising from the payment of Excess Loan Charges.

14. Legislation Affecting Lenders' Rights. If an enactment, modification or expiration of an applicable governmental law, ruling or regulation has the effect of rendering any provision of the Note, this Mortgage or any of the other Loan Documents unenforceable according to its terms, Lender, at its option and upon 15 days prior written notice, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by Paragraph 19.

15. Notice. Any notice that Lender or Mortgagor may desire or be required to give to the other shall be in writing and shall be mailed or delivered to the intended recipient at its address set forth below or at such other address as such party may in writing designate to the other:

Lender: Continental Bank N.A.
231 South LaSalle Street
Chicago, Illinois 60697

Attention: Ms. Jane M. Okarski
Private Business

Mortgagor: Cosmopolitan Bank and Trust, as Trustee
under Trust No. 27362
801 North Clark Street
Chicago, Illinois 60610

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Attention: Land Trust Department

with a copy to:

Basil M. Kromelow
18 East Elm
Chicago, Illinois 60611

and to:

Sheldon P. Migdal
Wildman, Harrold, Allen & Dixon
225 W. Wacker Drive
Chicago, Illinois 60606-1229

Except for any notice required under applicable law to be given in another manner, any notices required or given under this Loan Agreement shall be in writing and shall be deemed to have been properly given, served and received (i) if delivered by messenger, when delivered, (ii) if mailed in the United States mail, certified or registered, postage prepaid, return receipt requested, on the third business day after deposit in the mail, (iii) if telexed, telegraphed or telecopied, six (6) hours after being dispatched by telex, telegram or telecopy, if such sixth hour falls on a business day within the hours of 8:00 a.m. through 5:00 p.m. of the time in effect at the place of receipt, or at 8:00 a.m. on the next business day thereafter if such sixth hour is later than 5:00 p.m., or (iv) if delivered by reputable overnight express courier, freight prepaid, the next business day after delivery to such courier. Any party hereto may change the address to which notices are given by notice as provided herein.

16. Governing Law; Severability. The laws of Illinois shall govern the interpretation and enforcement of this Mortgage. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. If any provision or clause of this Mortgage, or the application thereof, is adjudicated to be invalid or unenforceable, the validity or enforceability of the remainder of this Mortgage shall be construed without reference to the invalid or unenforceable provision or clause.

17. Prohibitions on Transfer of the Premises or of an Interest in Mortgagor. It shall be an immediate default if, without the prior written consent of Lender, which consent may be granted or withheld at Lender's sole discretion, Mortgagor shall create, effect or consent to or shall suffer or permit any conveyance, sale (including an installment sale), assignment, transfer, lien (except liens being duly contested as permitted by this Mortgage), pledge, hypothecation, mortgage, security interest, or other encumbrance or alienation, whether by operation of law, voluntarily or otherwise, (collectively "Transfer") of (1) the Premises or any part thereof or interest therein; or (2) all or a portion of the beneficial interest of Mortgagor or the power of direction, except that Basil Kromelow may, upon prior written

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notice to Lender, make transfers of the beneficial interest in Mortgagor to his wife or children, subject to the liens and security interests created by the Loan Documents, provided that he remains partial owner of the beneficial interest in Mortgagor; (3) if Mortgagor, any of its beneficiaries or Guarantor consists of or includes a corporation, all or a portion of the stock of such corporation that results or could result in a material change in the identity of the person(s) or entity(ies) previously in control of such corporation; or (4) if Mortgagor, any of its beneficiaries or Guarantor consists of or includes a partnership or joint venture, all or a portion of an interest in such partnership, or a joint venture interest of a joint venturer in such joint venture that results or could result in a material change in the identity of the person(s) or entity(ies) in control of such partnership or joint venture (each of the foregoing is referred to as a "Prohibited Transfer"). In the event of such default, Lender, at its sole option, may declare the entire unpaid balance, including interest, immediately due and payable.

18. Event of Default. Each of the following shall constitute an event of default ("Event of Default") under this Mortgage:

(a) Mortgagor's or Guarantor's failure to pay any amount due herein or secured hereby, or any installment of principal or interest when due and payable whether at maturity or by acceleration or otherwise under the Note, this Mortgage, or any other Loan Document, which failure continues for more than five (5) days after written notice by Lender; provided, however, that this grace period shall not apply to the other subparagraphs of this Paragraph 18;

(b) Mortgagor's or Guarantor's failure to perform or observe any other covenant, agreement, or other provision contained in the Note, this Mortgage (other than an Event of Default described elsewhere in this Paragraph 18) or any other Loan Document or any breach of any representation or warranty in any Loan Document and such failure or breach continues for a period of twenty-one (21) days after the earlier of Mortgagor's or Guarantor's becoming aware of such failure or breach or the effective date of notice thereof given by Lender to Mortgagor; provided however, that this grace period shall not apply to the other sub-paragraphs of this Paragraph 18;

(c) A Prohibited Transfer occurs;

(d) Mortgagor, any of its beneficiaries or Guarantor shall: (i) file a voluntary petition in bankruptcy, insolvency, debtor relief or for arrangement, reorganization or other relief under the Federal Bankruptcy Code or any similar state or federal law; (ii) consent to or suffer the appointment of or taking possession by a receiver, liquidator,

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or trustee (or similar official) of the Mortgagor, beneficiary or Guarantor or for any part of the Premises or any substantial part of the Mortgagor's, beneficiary's or Guarantor's other property; (iii) make any assignment for the benefit of Mortgagor's, such beneficiary's or Guarantor's creditors; (iv) fail generally to pay Mortgagor's, such beneficiary's or Guarantor's debts as they become due; or (v) a court having jurisdiction shall enter a decree or order for relief in respect of Mortgagor, any of its beneficiaries or Guarantor in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law which decree or order is not dismissed within 60 days;

(e) All or a substantial part of the assets of Mortgagor, any of its beneficiaries, or Guarantor are attached, seized, subjected to a writ or distress warrant, or are levied upon;

(f) (i) the dissolution or termination of existence of Mortgagor; (ii) the amendment or modification in any respect of Mortgagor's or Guarantor's articles or agreement of partnership or its corporate resolutions or its articles of incorporation or bylaws that would materially and adversely affect Mortgagor's or Guarantor's performance of its obligations under the Note, this Mortgage or the other Loan Documents;

(g) This Mortgage shall not constitute a valid lien on and security interest in the Premises (subject only to the Permitted Encumbrances), or if such lien and security interest shall not be perfected;

(h) The business of the Mortgagor conducted on the Premises is terminated or voluntarily suspended, or the Premises are abandoned other than suspension of business for not longer than thirty (30) consecutive days for purposes of renovation of the Premises, or

(i) An indictment or other charge is filed against the Mortgagor, any of its beneficiaries or Guarantor, in any jurisdiction, under any federal or state law, for which forfeiture of the Premises or of other collateral securing the Loan or of any other funds, property or other assets of Mortgagor, any of its beneficiaries, Guarantor or Lender is a potential penalty.

19. ACCELERATION; REMEDIES. AT ANY TIME AFTER AN EVENT OF DEFAULT, LENDER, AT LENDER'S OPTION, MAY DECLARE ALL SUMS SECURED BY THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS TO BE IMMEDIATELY DUE AND PAYABLE WITHOUT FURTHER DEMAND AND MAY FORECLOSE THIS MORTGAGE BY JUDICIAL PROCEEDING. LENDER SHALL BE ENTITLED TO COLLECT IN

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SUCH PROCEEDING ALL EXPENSES OF FORECLOSURE, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COSTS INCLUDING ABSTRACTS AND TITLE REPORTS, ALL OF WHICH SHALL BECOME A PART OF THE SECURED INDEBTEDNESS AND IMMEDIATELY DUE AND PAYABLE, WITH INTEREST AT THE DEFAULT RATE. THE PROCEEDS OF ANY FORECLOSURE SALE OF THE PREMISES SHALL BE APPLIED AS FOLLOWS: FIRST, TO ALL COSTS, EXPENSES AND FEES INCIDENT TO THE FORECLOSURE PROCEEDINGS; SECOND, AS SET FORTH IN PARAGRAPH 3 OF THIS MORTGAGE; AND THIRD, ANY BALANCE TO MORTGAGOR OR AS A COURT MAY DIRECT.

20. Appointment of Receiver. Upon acceleration under Paragraphs 17 and 19, and without further notice to Mortgagor, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Premises and to collect the Rents from the Premises including those past due. The receiver shall have the power to collect the Rents from the time of acceleration through the pendency of any foreclosure proceeding and during the full statutory period of redemption, if any. All Rents collected by the receiver shall be applied as the appointing court may direct and, in the absence of such direction, first to payment of the costs and expenses of the management of the Premises and collection of Rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then as provided in Paragraph 3. The receiver shall be liable to account only for those Rents actually received.

21. Release. Upon payment of all Secured Indebtedness, Lender shall release this Mortgage. Mortgagor shall be responsible for recording the release, including all related costs of recordation.

22. Security Agreement. Without limiting any other provisions of this Mortgage, this Mortgage constitutes a Security Agreement under the Uniform Commercial Code of the State of Illinois (herein called the "Code") with respect to all fixtures, apparatus, equipment or articles, and all replacements and substitutions, now or hereafter located on the Premises as set forth in the description of the Premises above, and with respect to all Awards, and all Funds and other sums which may be deposited with Lender pursuant hereto (all for the purposes of this paragraph called "Collateral"), and Mortgagor, as debtor, hereby grants to Lender, as secured party, a security interest in such Collateral. All of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Premises. When the Secured Indebtedness shall become due, whether by acceleration or otherwise, Lender shall have all remedies of a secured party under the Code. This Mortgage is intended to be a financing statement with respect to any of the Collateral which constitute "fixtures" within the meaning of the Code. Mortgagor shall execute and deliver to Lender any other financing statements

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necessary to perfect the security interest in the Collateral created hereby. Any Code requirement for reasonable notice shall be met if such notice is delivered as provided herein at least fifteen (15) days prior to the time of any sale, disposition, or other event or matter giving rise to the notice (which period of time and method of notice is agreed to be commercially reasonable).

Whenever there exists an Event of Default hereunder, Mortgagor shall, promptly upon request by Lender, assemble the Collateral and make it available to Lender at such place or places, reasonably convenient for both Lender and Mortgagor, as Lender shall designate. Without limiting the foregoing, whenever there exists an Event of Default hereunder, Lender may, with respect to so much of the Collateral as is personal property under applicable law, to the fullest extent permitted by applicable law, without further notice, advertisement, hearing or process of law of any kind, (i) enforce collection of the Collateral to perform directly for Lender its obligations thereunder, (ii) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto, (iii) endorse any checks, drafts or other writings in the name of Mortgagor to allow collection of the Collateral, (iv) take control of any proceeds of the Collateral, (v) enter upon any premises where any of the Collateral may be located and take possession of and remove such Collateral, (vi) sell any or all of the Collateral, free of all rights and claims of Mortgagor therein and thereto, at any public or private sale, and (vii) bid for and purchase any or all of the Collateral at any such sale. Any proceeds of any disposition by Lender or any of the Collateral may be applied by Lender to the payment of expenses in connection with the Collateral, including attorneys' fees and legal expenses, and any balance of such proceeds shall be applied by Lender toward the payment of such of the Secured Indebtedness and in such order of application as Lender may from time to time elect. Lender may exercise from time to time any rights and remedies available to it under the Uniform Commercial Code or other applicable law as in effect from time to time or otherwise available to it under applicable law. Mortgagor hereby constitutes Lender its attorney-in-fact with full power of substitution to take possession of the Collateral upon any Default and, as Lender in its sole discretion deems necessary or proper, to execute and deliver all instruments required by Lender to accomplish the disposition of the Collateral; this power of attorney is a power coupled with an interest and is irrevocable while any of the Liabilities are outstanding.

23. Waiver of Redemption. Notwithstanding anything to the contrary herein contained, to the fullest extent permitted by the laws of the State of Illinois, Mortgagor hereby waives any and all rights of redemption from foreclosure, on behalf of Mortgagor, and

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on behalf of (i) each and every person acquiring any interest in or title to the Premises subsequent to the date of this Mortgage; (ii) any trust estate of which the Premises is a part and all beneficiaries of such trust estate; and (iii) all other persons.

24. Business Loan. Mortgagor hereby represents that: (a) the proceeds of the Secured Indebtedness (the "Loan") will be used for the purposes specified in Section 6404(1)(a) or (c) of Chapter 17 of the Illinois Revised Statutes, as amended; (b) the Loan constitutes a "business loan" within the purview of that Section; (c) the Loan is a transaction exempt from the Truth in Lending Act, 15 U.S.C. §1601, et seq.; and (d) the proceeds of the Indebtedness will not be used for the purchase of registered equity securities within the purview of Regulation "U" issued by the Board of Governors of the Federal Reserve System.

25. Environmental Matters ["Environmental Matters"]

A. Definitions. For purposes of this Mortgage,

(1) "Premises" means: The Real Estate, including improvements presently and hereafter situated thereon or thereunder, construction material used in such improvements, surface and subsurface soil and water, areas leased to tenants, and all business, uses, and operations thereon.

(2) "Environmental Laws" means:

(a) any present or future federal statute, law, code, rule, regulation, ordinance, order, standard, permit, license, guidance document or requirement (including consent decrees, judicial decisions and administrative orders) together with all related amendments, implementing regulations and reauthorizations, pertaining to the protection, preservation, conservation or regulation of the environment, including, but not limited to: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq. ("TOSCA"); the Clean Air Act, 42 U.S.C. Section 7401 et seq.; and the Clean Water Act, 33 U.S.C. Section 1251 et seq.; and

(b) any present or future state or local statute, law, code, rule, regulation, ordinance, order, standard, permit, license or requirement (including consent decrees, judicial decisions and administrative orders) together with all related amendments, implementing regulations and reauthorizations, pertaining to the protection, preservation, conservation or regulation of the environment.

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(3) "Hazardous Material" means:

(a) "hazardous substances" as defined by CERCLA;

(b) "hazardous wastes" as defined by RCRA;

(c) any hazardous, dangerous or toxic chemical, material, waste, pollutant, contaminant or substance ("pollutant") within the meaning of any Environmental Law prohibiting, limiting or otherwise regulating the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of such pollutant;

(d) any petroleum, crude oil or fraction thereof;

(e) any radioactive material, including any source, special nuclear or by-product material as defined at 42 U.S.C. Section 2011 et seq., and amendments thereto and reauthorizations thereof;

(f) asbestos-containing materials in any form or condition; and

(g) polychlorinated biphenyls ("PCBs") in any form or condition.

(4) "Environmental Actions" means:

(a) any notice of violation, complaint, claim, citation, demand, inquiry, report, action, assertion of potential responsibility, lien, encumbrance, or proceeding regarding the Premises, whether formal or informal, absolute or contingent, matured or unmatured, brought or issued by any governmental unit, agency, or body, or any person or entity, respecting:

i) Environmental Laws;

ii) the environmental condition of the Premises, or any portion thereof, or any property near the Premises which threatens the Premises, including actual or alleged damage or injury to humans, public health, wildlife, biota, air, surface or subsurface soil or water, or other natural resources; or

iii) the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of Hazardous Material either on the Premises or off-site;

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(b) any violation or claim of violation by Mortgagor of any Environmental Laws whether or not involving the Premises;

(c) any lien for damages caused by, or the recovery of any costs incurred by any person or governmental entity for the investigation, remediation or cleanup of any release or threatened release of Hazardous Material from the Premises; or

(d) the destruction or loss of use of property, or the injury, illness or death of any officer, director, employee, agent, representative, tenant or invitee of Mortgagor or any other person alleged to be or possibly to be, arising from or caused by the environmental condition of the Premises or the release, emission or discharge of Hazardous Materials from the Premises.

B. Representations. To the best of its knowledge and belief, Mortgagor hereby represents to Lender that:

1. Compliance. The Premises are not listed on any local, state and/or federal lists of potentially contaminated sites, including, but not limited to, the National Priorities List, CERCLIS or any state or federal hazardous waste site or leaking underground storage tank lists, and the Premises and Mortgagor have been and are currently in compliance with all Environmental Laws. There have been no past, and there are no pending or threatened, Environmental Actions to which Mortgagor is a party or which relate to the Premises. All required governmental permits and licenses relating to Environmental Laws are in effect, and Mortgagor is in compliance therewith. Mortgagor has not received any notice of any Environmental Action respecting Mortgagor, the Premises or any off-site facility to which has been sent any Hazardous Material for off-site treatment, recycling, reclamation, reuse, handling, storage, sale or disposal.

2. Absence of Hazardous Material. No use, exposure, release, emission, discharge, generation, manufacture, sale, handling, reuse, presence, storage, treatment, transport, recycling or disposal of Hazardous Material has occurred or is occurring on or from the Premises, except for the possible presence of non-friable asbestos on the Premises for which no remediation is required under applicable Environmental Laws and except for the presence of a 10,600 gallon underground fuel oil storage tank on the Premises (and the heating oil located therein, but only while it is located completely within said storage tank) solely for heating of the Premises, and except as has been disclosed in writing to and approved by Lender ("Permitted Material") except substances maintained for ordinary business purposes in accordance with applicable law. The term "release" shall include but not be limited to any

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spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including the abandonment or discarding of barrels, containers and other receptacles containing any Hazardous Material). All Hazardous Material used, treated, stored, transported to or from, generated or handled on the Premises has been disposed of on or off the Premises in a lawful manner. No environmental, public health or safety hazards currently exist with respect to the Premises. No underground storage tanks are present on or under the Premises, or have been on or under the Premises, except for a 10,600 gallon underground fuel oil storage tank used solely in heating the Premises, and except as has been disclosed in writing to and approved by Lender ("Permitted Tanks").

C. Mortgagor's Covenants. Mortgagor hereby covenants with Lender as follows:

1. Compliance. The Premises and Mortgagor shall comply with all Environmental Laws. All required governmental permits and licenses shall be obtained and maintained, and Mortgagor shall comply therewith. All Hazardous Material on the Premises will be disposed of in a lawful manner without giving rise to liability under any Environmental Laws. Mortgagor will satisfy all requirements of applicable Environmental Laws for the registration, operation, maintenance, closure and removal of all underground storage tanks on the Premises, if any. Without limiting the foregoing, all Hazardous Material shall be handled in compliance with all applicable Environmental Laws.

2. Absence of Hazardous Material. Other than Permitted Material, no Hazardous Material shall be introduced to or used, exposed, released, emitted, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on the Premises without twenty-one (21) days' prior written notice to Lender.

3. Proceedings and Actions. Mortgagor shall immediately notify Lender of all Environmental Actions and provide copies upon receipt of all written notices, complaints, correspondence and other documents relating thereto, and Mortgagor shall keep Lender informed of all responses thereto. Mortgagor shall promptly cure and have dismissed with prejudice all Environmental Actions to the reasonable satisfaction of Lender. Mortgagor shall diligently attempt to keep the Premises free of any encumbrance arising from any judgment, liability or lien imposed pursuant to any Environmental Actions.

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4. Environmental Audit. Mortgagor shall provide such information and certifications which Lender may reasonably request from time to time to monitor Mortgagor's compliance with this Paragraph 25 for the sole purpose of protecting Lender's security interest. To protect its security interest, Lender shall have the right, but no obligation, at any time to enter upon the Premises, take samples, review Mortgagor's books and records, interview Mortgagor's employees and officers, and conduct such other activities as Lender, at its sole discretion, deems appropriate. Mortgagor shall cooperate fully in the conduct of such an audit. If Lender decides to conduct such an audit because of (i) an Environmental Action; (ii) Lender's considering taking possession of or title to the Premises after default by Mortgagor; (iii) a material change in the use of the Premises, which in Lender's opinion, increases the risk to its security interest; or (iv) the introduction of Hazardous Material other than Permitted Material to the Premises; then Mortgagor shall pay within thirty (30) days after demand all costs and expenses connected with such audit, which, until paid, shall become additional indebtedness secured by the Loan Documents and shall bear interest at the Default Interest Rate provided for in the Note. Nothing in this Mortgage shall give or be construed as giving Lender the right to direct or control Mortgagor's actions in complying with Environmental Laws.

D. Lender's Right to Rely. Lender is entitled to rely upon Mortgagor's representations and warranties contained in this Paragraph 25 despite any independent investigations by Lender or its consultants. The Mortgagor, its beneficiaries and the Guarantor shall be responsible for determining for themselves the environmental condition of the Premises and shall have no right to rely upon any environmental investigations or findings made by Lender or its consultants, however, upon request, Lender will not unreasonably deny a request for delivery to Guarantor of copies of environmental reports prepared by Lender's consultants.

E. Indemnification. Mortgagor agrees to indemnify, defend (at trial and appellate levels and with counsel reasonably acceptable to Lender and experts and consultants acceptable to Lender and at Mortgagor's sole cost), and hold Lender and Lender's parent and subsidiary corporations, and their affiliates, shareholders, directors, officers, employees, and agents (collectively, "Lender's Affiliates"), free and harmless from and against Lender's Environmental Liability (collectively, "Mortgagor's Indemnification Obligations"). As used herein, the term "Lender's Environmental Liability" shall mean any and all losses, liabilities, obligations, penalties, claims, fines, demands, litigation, defenses, costs, judgments, suits, proceedings, damages (including punitive and

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exemplary damages), disbursements or expenses of any kind or nature whatsoever (including reasonable attorneys' fees at trial and appellate levels and reasonable experts' fees and disbursements and expenses incurred in investigating, defending against, settling or prosecuting any suit, litigation, claim or proceeding) which may at any time be either directly or indirectly imposed upon, incurred by or asserted or awarded against Lender or any of Lender's Affiliates in connection with or arising from:

1. any Hazardous Material used, exposed, emitted, released, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on, in or under all or any portion of the Premises, or any surrounding areas;
2. any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement contained or referred to in this Paragraph 25;
3. any violation, liability or claim of violation or liability, under any Environmental Laws;
4. the imposition of any lien for damages caused by, or the recovery of any costs incurred for the cleanup of, any release or threatened release of Hazardous Material; or
5. any Environmental Actions.

Provided, however, that Mortgagor shall not be required to indemnify Lender to the extent that any of the occurrences referenced in items 1-4 above are caused by Lender. Mortgagor's Indemnification Obligations shall survive in perpetuity with respect to any Lender's Environmental Liability. Mortgagor, its successors and assigns, hereby waive, release and agree not to make any claim or bring any cost recovery action against Lender under or with respect to any Environmental Laws. Mortgagor's obligations to Lender under this indemnity shall be without regard to fault on the part of Mortgagor or Lender with respect to the violation or condition which results in liability to Lender.

26. Zoning. Mortgagor's use and operation of the Premises shall comply with all applicable zoning laws, regulations and ordinances (including health and safety laws). The Premises are zoned to permit the current operation and use of the Premises. Mortgagor will not initiate or acquiesce in a zoning reclassification without Lender's consent.

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27. Interpretation. This Mortgage shall be construed pursuant to the laws of the State of Illinois. The headings of sections and paragraphs in this Mortgage are for convenience only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions. The use of singular and plural nouns, and masculine, feminine, and neuter pronouns, shall be fully interchangeable, where the context so requires. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstances, is adjudicated to be invalid, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included. Time is of the essence of the payment and performance of this Mortgage.

28. Compliance with Illinois Mortgage Foreclosure Law. If any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (Chapter 110, Sections 15-1101 et seq., Illinois Revised Statutes) (the "Act") the provisions of the Act shall take precedence over the Mortgage provisions, but shall not invalidate or render unenforceable any other Mortgage provision that can be construed in a manner consistent with the Act.

If any Mortgage provision shall grant to Lender any rights or remedies upon Mortgagor's default which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of such provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law.

Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in this Mortgage, shall be added to the Indebtedness secured by this Mortgage or by the judgment of foreclosure.

30. Principal Amount of Mortgage. At no time shall the principal amount of the indebtedness secured by this Mortgage not including sums advanced for Impositions and insurance premiums, to protect the security of this Mortgage or under Paragraph 25 hereof, exceed the stated principal amount of the Note plus \$10,000,000.00.

31. Land Trustee Exculpation. This Mortgage is executed by Cosmopolitan Bank and Trust, as Successor Trustee to The Cosmopolitan National Bank of Chicago, not personally, but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as Trustee. No personal liability shall be asserted or be enforceable against the Trustee because or in respect of this Mortgage or its making, issue or transfer, and all such liability, if any, is expressly waived by each taker and holder hereof. Nothing herein shall modify or discharge the

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personal liability of any other party. Each original and successive holder of this Mortgage accepts the express condition that no duty shall rest upon the Trustee to sequester the rents, issues and profits arising from the Premises, or the proceeds arising from such Premises's sale or other disposition. In the event of an Event of Default, the sole remedy of the holder, as far as Trustee is concerned, shall be foreclosure of the Mortgage, action against any other security at any time given to secure the payment of the Secured Indebtedness, action to enforce the personal liability of other makers on the Note or the guarantors of the Note, or any other remedies as the holder in its sole discretion may elect.

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage.

Cosmopolitan Bank and Trust,
not personally but solely as
Successor Trustee as aforesaid

Attest:

For signatures and exculpatory provisions see rider hereto attached which is
expressly incorporatd herein and made a part hereof.

By: _____
Its: _____

By: _____
Its: _____

Mortgagor's Address:

801 North Clark Street
Chicago, Illinois 60610

Attention: Land Trust Department

This instrument was prepared by
and return after recording to:

Alan W. Van Dellen
Mayer, Brown & Platt
190 South LaSalle Street
Chicago, Illinois 60603

15087823.5 042693 1913C 93065720

93328323

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This Mortgage is executed by COSMOPOLITAN BANK AND TRUST not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said COSMOPOLITAN BANK AND TRUST hereby warrants that it possesses full power and authority to execute this instrument) and it is expressly understood and agreed that nothing herein or in said note contained shall be construed as creating any liability on the said COSMOPOLITAN BANK AND TRUST either, individually or as Trustee as aforesaid, personally to pay the said note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained all such liability, if any, being expressly waived by the Mortgage and by every person now or hereafter claiming any right or security hereunder, and that so far as COSMOPOLITAN BANK AND TRUST, either individually or as Trustee aforesaid, or its successors, personally are concerned, the legal holder or holders of said note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created in the manner herein and in said note provided or by action to enforce the personal liability of the guarantor, if any.

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Paragraph 25

Signatures of the Trustee expressly exclude covenant of mortgagor pursuant to **Environmental Matters** this Mortgage as well as any and all other provisions which may be contained herein with respect to the condition of the premises. Trustee does not covenant or warranty that the premises are free from any hazardous substances, or that the premises are in compliance with the terms of any environmental act, including but not limited to the Comprehensive Environmental Response, Liability and Compensation Act, the Resource Conservation and Recovery Act and/or the Environmental Protection Act.

IN WITNESS WHEREOF, COSMOPOLITAN BANK AND TRUST, not personally but as Trustee as aforesaid, has caused these presents to be signed by its Assistant Vice President and its corporate seal to be hereunto affixed and attested by its Trust Officer this 29th day of April, 1993.

COSMOPOLITAN BANK AND TRUST, Successor Trustee to THE COSMOPOLITAN NATIONAL BANK OF CHICAGO, as Trustee as aforesaid and not personally,

ATTEST:

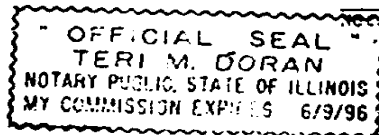
Ann Huck Burreas
Trust Officer

BY: Teri M. Doran
Notary Public

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

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that the above named Assistant Vice President and Trust Officer of COSMOPOLITAN BANK AND TRUST, 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 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 COSMOPOLITAN BANK AND TRUST for the uses and purposes therein set forth, and the said Trust Officer then and there acknowledged that said Trust Officer as custodian of the corporate seal of said COSMOPOLITAN BANK AND TRUST caused the corporate seal to be affixed to said instrument as said Trust Officer's own free and voluntary act and as the free and voluntary act of said COSMOPOLITAN BANK AND TRUST for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 29th day of April, 1993.



Teri M. Doran
Notary Public

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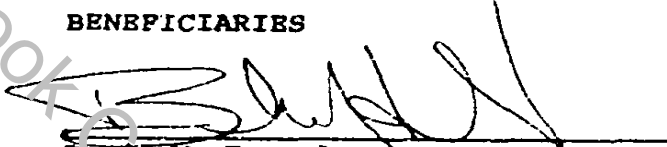
JOINDER


To secure the performance of the covenants in the foregoing Mortgage and the payment of the Indebtedness described therein (terms used in this Joinder shall have the meanings defined in the Mortgage), and in consideration of Ten Dollars and the Recitals contained in the Mortgage and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the undersigned beneficiaries of the Mortgagor ("Beneficiaries"), Beneficiaries hereby grant, sell, assign and convey to Lender and its successors and assigns a continuing security interest in and to each and every element of the Premises and the Collateral as those terms are defined in the foregoing Mortgage, and consent to and agree to be bound by the provisions of Paragraph 22 of the Mortgage. Beneficiaries represent and warrant that they are and will be the unencumbered owners of each and every element of the Premises or the Collateral which may or might now or hereafter be or be deemed to be personal property, fixtures or other property (including all replacements, additions and substitutions therefor) other than real estate.

Nothing contained herein, or in the Note or in the Mortgage or in any of the other Loan Documents, shall be construed as creating any liability on the part of Laureanne L. Kromelow personally to pay any indebtedness accruing thereunder.

Lender shall have all remedies granted in the Mortgage (and any of the other Loan Documents) with respect to the Premises and the Collateral in the event of a default thereunder.

BENEFICIARIES


Basil M. Kromelow, as Trustee of the
Basil M. Kromelow Trust dated
February 24, 1964


Laureanne L. Kromelow

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that

_____ and _____, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as _____ and _____ of Cosmopolitan Bank and Trust, as Successor Trustee to The Cosmopolitan National Bank of Chicago, not personally but solely as Trustee under a Trust Agreement dated January 16, 1985 and known as Trust No. 27362, appeared before me this day in person and severally acknowledged to me that they, being thereunto duly authorized, signed and delivered said instrument as the free and voluntary act of said entity as Trustee aforesaid, and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of April, 1993.

Notary Public

My Commission Expires:

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Troy Strand, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Basil M. Kromelow, Trustee of the Basil M. Kromelow Trust dated February 24, 1964, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged to me that he, being thereunto duly authorized, signed and delivered said instrument as his own free and voluntary act, and as his free and voluntary act as Trustee aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 28 day of April, 1993.



Troy Strand
Notary Public

My Commission Expires:

March 10, 1996

Office of Cook County Clerk's Office

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EXHIBIT A

LEGAL DESCRIPTION

LOTS 1, 2 AND 3 IN NAPER'S RESUBDIVISION OF LOTS 2, 3, 4 AND 5 IN THE SUPERIOR COURT PARTITION OF THE EAST 2/3 OF BLOCK 12 IN THE SUBDIVISION BY THE COMMISSIONERS OF THE ILLINOIS AND MICHIGAN CANAL OF THE SOUTH FRACTIONAL 1/4 OF SECTION 3, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Street Address of Property: 20 East Delaware
Chicago, Illinois 60611

Permanent Index Number: 17-03-209-012-0000

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EXHIBIT B

Permitted Encumbrances

1. GENERAL REAL ESTATE TAXES FOR 1992 (SECOND INSTALLMENT) AND SUBSEQUENT YEARS NOT YET DUE AND PAYABLE.
2. ENCROACHMENT OF CANOPY BY APPROXIMATELY 20.5 FEET, AND ENCROACHMENTS OF FIVE PLANTERS BY APPROXIMATELY 3.2 FEET OVER THE SOUTH LINE OF THE LAND, AS DEPICTED ON SURVEY 8701-006 PREPARED BY EMMET KENNEDY & CO., AS RESURVEYED JANUARY 22, 1987.
3. RIGHTS OF KING CLEANERS AS TENANT.