

# UNOFFICIAL COPY

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RE-RECORDED TO CORRECT NOTE AMOUNT

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(Space above this Line for Recording Data)

## MORTGAGE

378

This mortgage made and entered into this 29th day of April 19 94 by and between Columbia National Bank as trustee under trust agreement dated 9-30-92 (herein, together with their heirs, successors and assigns, including each person now or hereafter claiming any interest in the Premises hereinafter referred to, called "Mortgagor"), as Grantor and Mortgagor, to

NORTH COMMUNITY BANK  
whose address is 3639 N. Broadway, Chicago, IL 60613  
(herein together with its successors or assigns, called "Mortgagee").

Lot 3 in Subdivision of Block 5 in William Lill and Heirs of Michael Diversey Division in the Southwest 1/2 of the Northwest 1/4 of Section 29, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

COOK COUNTY, ILLINOIS  
PUBLIC RECORDS

1994 SEP 29 AM 9 56

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DEPT-01	CORDING	337.00
T-1111	CH. REAL CR/GR/94	09148100
00364	CS	404527
COOK	IMTY RECORDER	

### WITNESSETH:

WHEREAS, Mortgagor is the owner in fee of that certain place, parcel or tract of real property and the improvements located thereon, situated in the City of Chicago County, Illinois.

Permanent Index Number 14-29-124-026  
which has the address of 1507 W. George, Chicago, IL 60657

WHEREAS, Mortgagor has executed and delivered to Mortgagee (herein, together with its successors and assigns, including each and every owner and holder of Note hereinafter sometimes also referred to as "Lender" or "Holder") Mortgagee's Promissory Note dated as of the date hereof, bearing interest as therein stated, in the principal sum of \$ ~~379,250.00~~ 379,250.00 payable to the order of Mortgagee (hereinafter referred to as "Note"); and

WHEREAS, the indebtedness evidenced by the Note, including the principal thereof and interest and premium, if any, thereon and all extensions and renewals thereof in whole or in part and any and all other sums which may at any time be due and owing or required to be paid as provided for in the Note or herein, and any other indebtedness of the Mortgagor, payable to the Mortgagee, evidenced by a promissory note, or a guaranty of a promissory note, executed and delivered by Mortgagor while the Note remains unpaid, stating that said indebtedness is secured by this Mortgage, including the principal thereof and interest and premium, if any, thereon and all extensions and renewals thereof in whole or in part and any and all other sums which may at any time be due and owing or required to be paid as provided for in said promissory note or herein, are herein called the "Indebtedness Hereby Secured." At no time shall the principal amount of the Indebtedness Hereby Secured, not including the sums advanced in accordance herewith to protect the security of this Mortgage, exceed the original amount of the Note, plus One Million (\$1,000,000.00) Dollars.

NOW, THEREFORE:

### GRANTING AND PLEDGING PROVISIONS

For good and valuable consideration, including the Indebtedness Hereby Secured herein recited, the receipt of which is hereby acknowledged, Mortgagor does hereby GRANT, DEMISE, CONVEY, ALIEN, TRANSFER, and MORTGAGE unto the Mortgagee and its successors and assigns forever, under and subject to the terms and conditions herein set forth, all and sundry the rights, interest, and property hereinafter described (herein together called the "Premises"), to-wit:

- (a) All right, title, and interest of Mortgagor in and to any other rights, interests or greater estate in the Premises or other rights and properties comprising the Premises, now owned or hereafter acquired by Mortgagor;
- (b) All buildings and other improvements now or at any time hereafter constructed or erected upon or located on the Premises, together with all tenements, easements, fixtures and appurtenances thereto belonging (the Fee Parcel being herein called the "Real Estate"), together with and including, but not limited to, all fixtures, equipment, machinery, appliances and other articles and attachments now or hereafter forming part of, attached to, or incorporated in any such buildings or improvements (all herein generally called the "Improvements");
- (c) All privileges, reservations, allowances, hereditaments, tenements, and appurtenances now or hereafter belonging or pertaining to the Real Estate or Improvements;
- (d) All estates, right, title, and interest of Mortgagor in any and all leases, subleases, arrangements or agreements relating to the use and occupancy of the Real Estate and Improvements or any portion thereof, now or hereafter existing or entered into (all herein generally called "Leases"), together with all cash or security deposits, advance rentals and other deposits or payments of similar nature given in connection with any Leases;
- (e) All rents, issues, profits, royalties, income, avails and other benefits now or hereafter derived from the Real Estate and Improvements, under Leases or otherwise (all herein generally called "Rents"), subject to the right, power and authority given to the Mortgagor in the Assignment hereinafter referred to, to collect and apply the rents;
- (f) Any interests, estates or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Real Estate or Improvements or other rights, interests or properties comprising the Premises now owned or hereafter acquired;

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need not be kept separate and apart from any other funds of the Mortgagee. Anything in this Section 5 to the contrary notwithstanding, if the funds so deposited are insufficient to pay any such taxes or assessments (general or special) or any installment thereof, Mortgagor will, not later than the thirtieth (30) day prior to the last day on which the same may be paid without penalty or interest, deposit with the Mortgagee the full amount of any such delinquency. In any such taxes or assessments (general or special) shall be levied, charged, assessed or imposed upon or for the Premises, or any portion thereof, and if such taxes or assessment shall also be a levy, charge, assessment or imposition upon or for any other premises not encumbered by the lien of this Mortgage, then the computation of any amount to be deposited under this Section 5 shall be based upon the entire amount of such taxes or assessments, and Mortgagor shall not have the right to apportion the amount of any such taxes or assessments for the purposes of such computation.

6. For the purpose of providing funds with which to pay premiums when due on all policies of fire and other hazard insurance covering the Premises and the Collateral (defined in Section 22) and unless waived by Mortgagee in writing, the Mortgagor shall deposit with the Mortgagee or the Collection Agent, commencing on the date of disbursement of the proceeds of the loan secured hereby and on the first day of each month following the month in which said disbursement occurs (unless otherwise agreed to by Mortgagee), a sum equal to the Mortgagee's estimate of the premiums that will next become due and payable on such policies reduced by the amount, if any, then on deposit with the Mortgagee, divided by the number of months to elapse before two (2) months prior to the date when such premiums become due and payable. No interest shall be allowed or paid to Mortgagor on account of any deposit made hereunder and said deposit need not be kept separate and apart from any other funds of the Mortgagee.

7. In the event of a default hereunder, the Mortgagee may, at its option but without being required so to do, apply any monies at the time on deposit pursuant to Section 5 and Section 6 hereof on any of Mortgagor's obligations contained herein or in the Note, in such order and manner as the Mortgagee may elect. When the Indebtedness Secured Hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the Premises as the same appear on the records of the Mortgagee. A second interest, within the meaning of the Illinois Uniform Commercial Code is hereby granted to the Mortgagee in and to all monies at any time on deposit pursuant to Section 5 and Section 6 hereof and such monies and all of Mortgagor's right, title and interest therein are hereby assigned to Mortgagee, all as additional security for the indebtedness hereunder and shall, in the absence of default hereunder, be applied by the Mortgagee for the purposes for which made hereunder and shall be subject to the direction or control of the Mortgagor; provided, however, that Mortgagee shall not be liable for any failure to apply to the payment of taxes or assessments or insurance premiums any amount so deposited unless Mortgagor, while not in default hereunder, shall have furnished Mortgagee with the bills therefor and requested Mortgagee in writing to make application of such funds to the payment of the particular taxes or assessments or insurance premiums for payment of which they were deposited, accompanied by the bills for such taxes or assessments or insurance premiums. Mortgagee shall not be liable for any act or omission taken in good faith, but only for its gross negligence or willful misconduct.

8. The Mortgagor will insure and keep insured all of the buildings and improvements now or hereafter constructed or erected upon the Premises and each and every part and parcel thereof, against such perils and hazards as the Mortgagee or the Holder may from time to time reasonably require with no more than \$1,000 deductible in any case, and in any event including any and all insurance required by any Lease, and the following:

(a) Insurance against loss or damage to the improvements by fire, risks covered by the so-called standard extended coverage endorsement, vandalism and malicious mischief endorsement and so-called "all perils" endorsement and such other risks as the Mortgagee or the Holder may reasonably require in amounts equal to the full replacement value of the Premises plus the cost of debris removal, with a full replacement cost endorsement, and Lender's Loss Payable endorsement;

(b) Comprehensive general public liability insurance against bodily injury and property damage arising in connection with the Premises, with such limits as the mortgagee or any holder may reasonably require;

(c) If there are pressure fired vehicles or vessels within the Premises, broad form boiler and machinery insurance on all equipment and objects customarily covered by such insurance, providing for full repair and replacement cost coverage;

(d) Other insurance of the types and in amounts as the Mortgagee or any Holder may reasonably require, but in any event not less than customarily carried by persons owning or operating like properties;

(e) During the construction of any improvements or making of any alterations to the Premises, (i) builders completed value risk insurance against "all risks of physical loss" including collapse and fault coverage during such construction in non-reporting form, covering the total value of work performed and equipment, supplies, and materials furnished, containing "permission to occupy upon completion" endorsement; (ii) insurance covering claims based on the owner's contingent liability not covered by the insurance provided above; and, (iii) employer's liability and workmen's compensation insurance covering all persons engaged in making such construction, alterations or improvements; and

(f) Federal Flood Insurance in the maximum obtainable amount, if the Premises is in a "flood plain area" as defined by the Federal Insurance Administration pursuant to the Federal Flood Disaster Protection Act of 1973, as amended.

9. All policies of insurance to be maintained and provided as required by Section 8 hereof shall be in form and substance, and written by companies and in amounts (subject to the provisions of Section 8 hereof) satisfactory to the Holder and in connection with such insurance:

(a) All policies of casualty insurance shall have attached thereto mortgagee clauses or endorsements in favor of and with loss payable to the Holder as its interest may appear, all in form satisfactory to Holder.

(b) Mortgagor will deliver all policies, including additional and renewal policies to the Collection Agent for the benefit of the Holder, and in case of insurance policies about to expire, the Mortgagor will deliver renewal policies not less than ten (10) days prior to the respective dates of expiration.

(c) If under the terms and provisions of any Lease now in effect or of any other Lease specifically approved by the Holder, the Lessee under such Lease is required to maintain insurance in the types and amounts as set forth in Section 8 hereof, then:

(i) If pursuant to the terms of such Lease, such insurance is to be maintained for the benefit of both Lessor and any Mortgagee of Lessor, the Holder will accept such policy or policies in lieu of policies required by Section 8 or this Section 9 hereof, provided that the policies furnished by such Lessee meet the requirements set forth in Section 8 and this Section 9 hereof; and

(ii) In the event any such Lessee shall fail to keep such insurance in full force and effect, and deliver the same as provided for in Section 8 and in this Section 9 hereof, then the Mortgagor shall obtain and deliver such policy or policies as required by Section 8 and this Section 9 hereof.

(d) Each policy of insurance shall be endorsed to provide that (i) it may not be cancelled or amended except upon ten (10) days prior written notice to Collection Agent and Holder; and, (ii) no act or negligence of the insured or any occupant, and no occupancy of the Premises or use thereof for purposes more hazardous than permitted by the terms of the policy will affect the validity or enforceability of the insurance as against the Mortgagee or any Holder.

10. The Mortgagor will give the Mortgagee, each Holder and the Collection Agent prompt notice of any damage to or destruction of the Premises, and:

(a) In case of loss covered by policies of insurance, the Holder (or, after entry of decree for foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be) is hereby authorized at its option either (i) to settle and adjust any claim under such policies without the consent of the Mortgagor, or (ii) allow the Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss; provided, that the Mortgagor may itself adjust losses aggregating not in excess of Fifty Thousand (\$50,000.00) Dollars, and provided further that in any case the Mortgagee (at the direction of the Holder or the Collection Agent on its behalf, if so directed) shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the expenses incurred by the Mortgagee, Holder or Collection Agent in the adjustment and collection of insurance proceeds shall be so much additional Indebtedness Secured Hereby, and shall be reimbursed to Holder upon demand.

(b) In the event of any insured damage to or destruction of the Premises or any part hereof (herein called an "Insured Casualty"), the Holder (or the Collection Agent on its behalf) may, at its election either:

of and in conjunction with any foreclosure sale of the real estate comprised within the Premises, the Collateral and real estate to be sold as one lot. If Mortgagee (at the direction of the Holder) or any Holder so elects, the net proceeds realized upon any such disposition, after deduction for the expenses of relating, holding, preparing for sale, mailing or the like and the reasonable attorney's fees and legal expenses incurred by the Mortgagee and the Holder, shall be applied in satisfaction of the indebtedness hereby Secured. The Holder will account to the Mortgagee for any surplus realized on such disposition.

(g) The remedies of the Mortgagee and Holder hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other remedies of the Mortgagee or any Holder, including having the Collateral deemed part of the realty upon any foreclosure thereof so long as any part of the indebtedness hereby Secured remains unsatisfied.

(h) The terms and provisions contained in the Code, and the Mortgage and the Holder shall be deemed otherwise required, have the meaning of and be construed as provided in the Code, and the Mortgage and the Holder shall be deemed secured parties for the purpose of the Code, with respect to this Section 22.

23. If one or more of the following events (herein called "Events of Default") shall occur:

(a) If default is made in the due and punctual payment of any Note or any installment of any Note, either principal or interest, as and when the same is due and payable; or if default is made in the making of any payment of monies required to be made hereunder or under the Loan Documents, and any applicable period of grace specified in the Note shall have elapsed;

(b) If an Event of Default pursuant to Section 20 hereof shall occur and be continuing;

(c) If any Event of Default or Default shall occur under any of the Loan Documents, and any applicable grace periods shall have expired;

(d) If any Default or Event of Default shall occur under any Lease, or if there shall occur any event which alone or with the passage of time or the giving of notice, or both, would, in the reasonable judgment of any Holder, entitle Lessee under any Lease to terminate the same;

(e) If default is made in the maintenance and delivery by Mortgagee of insurance required to be maintained and delivered hereunder, without notice or grace of any kind;

(f) (i) and for the purposes of this Section 23(f) the term "Mortgagee" shall mean and include not only the Mortgagee named above, but also each holder of the Premises and each person who, as guarantor, co-maker or otherwise shall be or become obligated upon all or any part of the indebtedness hereby Secured or any of the covenants or agreements in this Mortgage or in the Note or other Loan Documents contained);

(ii) Mortgagee shall file a petition in voluntary bankruptcy under the Chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter in effect;

(iii) Mortgagee shall file an answer admitting in equity or otherwise its liability to pay its debts;

(iii) Within sixty (60) days after the filing against Mortgagee of any involuntary proceedings under such Bankruptcy Code or similar law, such proceedings shall not have been vacated or stayed;

(iv) Mortgagee shall be adjudicated a bankrupt, or a trustee or receiver shall be appointed for the Mortgagee or for all or the major part of the Mortgagee's property or the Premises in any involuntary proceedings, or a court shall have taken jurisdiction of all or the major part of the Mortgagee's property or the Premises in any involuntary proceedings for the reorganization, dissolution, liquidation or winding up of the Mortgagee, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within sixty (60) days; or

(v) Mortgagee shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due or shall consent to the appointment of a receiver or trustee or liquidator of all or the major part of the property of the Premises;

(g) If any default shall occur (and shall not be cured) within any applicable grace period under the provisions of Section 30 hereof or under the Assignment referred to in said Section;

(h) If any default in the due and punctual performance of any agreement or condition herein or in any Note or other Loan Documents not specifically enumerated in this Section 23 shall continue for thirty (30) days after notice thereof to Mortgagee;

(i) If any representations or warranties made by or on behalf of Mortgagee or its beneficiary herein or in any of the Loan Instruments or in any other documents or certificates delivered in connection with the indebtedness hereby Secured shall prove untrue in any material respect;

(j) If the Premises shall be abandoned;

then the Mortgagee (at the direction of any Holder) or any Holder is hereby authorized and empowered, at its option, and without affecting the lien hereby created or the priority of said lien or any right of the Mortgagee or any Holder, to declare, without further notice, all indebtedness hereby Secured to be immediately due and payable, whether or not such Event of Default be thereafter remedied by the Mortgagee, and the Mortgagee (at the direction of any Holder) or any Holder may immediately proceed to foreclose the Mortgage and/or to exercise any right, power or remedy provided by this Mortgage and the Note, by the Assignment or by law or in equity conferred, all without presentment, demand, notice of broken conditions or other notice whatsoever.

24. When the indebtedness hereby Secured shall become due, whether by acceleration or otherwise, the Mortgagee (at the direction of any Holder) or any Holder shall, if applicable law permits, have the right to enter into and upon the Premises and take possession thereof or to appoint an agent or trustee for the collection of the rents, issues, and profits of the Premises; and the direction of any Holder or any Holder allowing a reasonable fee for the collection thereof and for the management of the Premises, may be applied to not income, either allowing a reasonable fee for the collection thereof and for the management of the Premises, may be applied to the payment of taxes, insurance premiums and other charges against the Premises, or in reduction of the indebtedness hereby Secured; and the rents, issues, and profits of and from the Premises are hereby specifically pledged to the payment of the indebtedness hereby Secured, or any part thereof, or any part thereof, shall become due, whether by acceleration or otherwise, the Mortgagee, the court with which such complaint is filed may and if applicable law permits shall, at the request of the Mortgagee or any Holder, appoint a receiver of the Premises. Such appointment shall be made either before or after notice, without notice, and without regard to the value of the Premises or whether the same shall be then occupied as a home or not; and the Mortgagee or any Holder or the Collection Agent may be appointed as such receiver. Such receiver shall take immediate possession of the Premises, complete construction of and pay the cost of construction of the Premises with full power to project, manage, operate, complete construction of and pay the cost of construction of the Premises and shall have all other necessary powers, to be exercised as said receiver may deem best for all parties concerned during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be a sale or not, as well as during any later period on the Mortgage, except for the

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(c) The Mortgagee or any Holder, in making any payment hereby authorized (including taxes and assessments, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (ii) for the purchase, discharge, compromise or settlement of any other lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

18. The Mortgagee and any Holder and the Collection Agent upon prior notice shall have the right to inspect the Premises at all reasonable times, and access thereto shall be permitted for that purpose.

19. The Mortgagor will (a) within ninety (90) days after the end of each of its fiscal years, furnish to the Holder at the place where interest on the indebtedness hereby secured is then payable, financial and operating statements of the Premises, and (b) within ninety (90) days after the end of each of the fiscal year of Mortgagor, a personal financial statement of Mortgagor. The foregoing statements shall be prepared and certified by Mortgagor. These statements shall in each case include a balance sheet and income statement and in connection with the Premises, a rent roll, and statement of income and expense, all in such detail as the Holder may require. Such statements shall be prepared in accordance with the basis that Mortgagor's accountants typically employ. If such statements are not prepared in accordance with generally accepted accounting principles, or if Mortgagor fails to furnish them on time, any Holder may audit the books of the Premises and of Mortgagor's beneficiary, all at Mortgagor's expense, and the cost thereof shall be so much additional indebtedness hereby secured, bearing interest at the Default Rate until paid, and payable upon demand.

20. Subject to the provisions of Section 21 hereof, it shall be an Immediate Event of Default and default hereunder if, without the prior written consent of the Holder:

(a) The Mortgagor shall create, effect or consent to or shall suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance of alienation of the Premises or any part thereof, or interest therein, excepting only sales or other dispositions of Collateral (herein called "Obsolete Collateral") no longer useful in connection with the operation of the Premises, provided that prior to the sale or other disposition thereof, such Obsolete Collateral has been replaced by Collateral, subject to the lien hereof, of at least equal value and utility;

(b) If the Mortgagor is or at any time shall be a corporation, any shareholder of such corporation shall create, effect or consent to, or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any such shareholder's share in the corporation;

(c) If the Mortgagor is or at any time shall be a partnership or joint venture, any partner or joint venturer thereof shall create, effect or consent to, or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any part of the general partnership or joint venture interest, as the case may be, of such partnership or joint venture.

In each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is affected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise, the provisions of this Section 20 shall be operative with respect to, and shall be binding upon any persons who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Premises, or such beneficial interest in, share of stock of or partnership or joint venture interest.

21. The provisions of Section 20 hereof shall not apply to the following transfers and encumbrances, each of which shall be deemed consented to:

- (a) Liens securing the indebtedness hereby secured;
- (b) The line of current taxes and assessments not in default;
- (c) Transfer of the Premises, or parts thereof, or interest therein or any beneficial interest, shares of stock or partnership or joint venture interests, the transfer of which would otherwise result in an Event of Default pursuant to the provisions of Section 20 hereof, by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate, personal representatives and/or committee.
- (d) \_\_\_\_\_

22. In addition to the lien which this Mortgage places upon the real estate conveyed hereunder, this Mortgage also constitutes a Security Agreement under the Uniform Commercial Code of the State of Illinois (herein called the "Code") with respect to all rents, issues, profits and avails of any Lease of the Premises, and with respect to any part of the Premises which may or might now or hereafter be deemed to be personal property, fixtures or property other than real estate (all for the purpose of this Section 22 called "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; and the following provisions of this Section 22 shall not limit the generality or applicability of any other provision of this Mortgage but shall be in addition thereto:

(a) The Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral.

(b) The Collateral is to be used by the Mortgagor solely for business purposes, being installed upon the Premises for Mortgagor's own use or as the equipment and furnishings by Mortgagor, as Landlord, to tenants of the Premises.

(c) The Collateral will be kept at the Real Estate comprised in the Premises, and will not be removed therefrom without the consent of the Holder and Mortgagee (being the Secured Party as that term is used in the Code); and the Collateral may be affixed to the Real Estate but will not be affixed to any other real estate.

(d) The only persons having any interest in the Premises are (i) the Mortgagor; (ii) the Mortgagee and the Holder; and (iii) Lessees under existing Leases.

(e) No financing statement covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto, and Mortgagor will at its own cost and expense, upon demand, furnish to the Mortgagee and Holder such further information and will execute and deliver to the Mortgagee or any Holder such financing statements and other documents in form satisfactory to the Mortgagee or any Holder and will do all such acts and things as the Mortgagee or any Holder may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the indebtedness hereby secured, subject to any adverse liens or encumbrances; and the Mortgagor will pay the cost of filing the same or filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by the Mortgagee or any Holder to be necessary or desirable.

(f) Upon the occurrence of any default or Event of Default hereunder (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted) and at any time thereof (such default not having previously been cured), the Mortgagee (at the request of the Holder) or any Holder at its option may declare the indebtedness hereby secured immediately due and payable, all as more fully set forth in Section 23 hereof, and thereupon the Mortgagee and the Holder shall have the remedies of a secured party under the Code, including without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for what purpose may, so far as the Mortgagor can give authority therefor, with or without judicial process enter (if this can be done without breach of the peace), upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and the Mortgagee and the Holder and each of them shall be entitled to hold, maintain, preserve and prepare the Collateral for sale until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of the Mortgagor's obligations, as provided in the Code. The Mortgagee and the Holder without removal may render the Collateral unusable and dispose of the Collateral on the Premises. The Mortgagee and the Holder may require the Mortgagor to assemble the Collateral and make it available to the Mortgagee and the Holder for their possession at a place to be designated by them which is reasonably convenient to both parties. The Mortgagee or Holder, as the case may be, will give Mortgagor at least five (5) days notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by registered or certified mail, postage prepaid, to the address specified for notices to Mortgagor as set forth in Section 37 hereof at least five (5) days from the time of the sale or disposition. The Mortgagee or any Holder may buy at any public sale and if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, Mortgagee or any Holder may buy at private sale. Any such sale may be held as part

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37. The unenforceability or invalidity of any provision or provisions hereof shall not render any other provision or provisions enforceable or valid.

35. Each right, power, and remedy herein conferred upon the Mortgagee, any Holder and Collection Agent is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each such right, power, and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Mortgagee and any Holder, and the exercise of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of the Mortgagee or any Holder or any other person shall constitute a waiver of any right, power or remedy accruing hereunder or arising otherwise which shall impact any such right, power or remedy, or be construed to be a waiver of any default or acquiescence herein.

34. In the event that the ownership of the Premises becomes vested in a person or persons other than the Mortgagee, the Mortgagee, any Holder and Collection Agent may, without notice to the Mortgagee, deal with such successor or successors in interest of the Mortgagee with reference to this Mortgage and the indebtedness hereby secured in the same manner as with the Mortgagee, and the Mortgagee will give immediate written notice to the Mortgagee, any Holder and Collection Agent of any conveyance, transfer or change of ownership of the Premises, but nothing in this Section contained shall vary or negate the provisions of Section 20 hereof.

33. At the request of Mortgagee or any Holder, the Mortgagee will cause the Mortgage and all other documents securing the indebtedness hereby secured at all times to be properly filed and/or recorded at Mortgagee's own expense and in such manner and in such places as Mortgagee or any Holder may request in order to fully preserve, protect, and perfect the rights and security of the Mortgagee or any Holder.

32. Mortgagee covenants and agrees at all times to be in full compliance with provisions of law prohibiting discrimination on the basis of race, color, creed or national origin including, but not limited to, the requirements of Title VIII of the 1968 Civil Rights Act.

31. Nothing herein contained shall be construed as constituting the Mortgagee or any Holder as a holder in possession. Agent therefor on demand, together with interest at the Default Rate from the date of demand to the date of payment. Much additional indebtedness hereby secured, and the Mortgagee shall reimburse the Mortgagee or Holder and the Collection Agent in the defense of any claims or demands therefor (whether successor or not), shall be the responsibility of the Mortgagee or Holder, together with the costs and expenses, including reasonable attorneys' fees, incurred by the Mortgagee or Holder by reason of the Assignment, and any and all such liability, loss or damage incurred by the Mortgagee or any Holder or any other person shall be the responsibility of the Mortgagee or any Holder and the Collection Agent harmless from any other person. Nothing herein contained shall be construed as obligating the Mortgagee or any Holder or any other person to perform or discharge any obligation, duty or liability of the Mortgagee or any Holder or any other person under any lease of the Premises to the part of Lessor shall exist hereunder. Nothing herein contained shall be construed as obligating the Mortgagee or any Holder or any other person to perform or discharge any obligation, duty or liability of the Mortgagee or any Holder or any other person under any lease of the Premises to the part of Lessor shall exist hereunder. Nothing herein contained shall be construed as obligating the Mortgagee or any Holder or any other person to perform or discharge any obligation, duty or liability of the Mortgagee or any Holder or any other person under any lease of the Premises to the part of Lessor shall exist hereunder. Nothing herein contained shall be construed as obligating the Mortgagee or any Holder or any other person to perform or discharge any obligation, duty or liability of the Mortgagee or any Holder or any other person under any lease of the Premises to the part of Lessor shall exist hereunder.

30. As further security for the indebtedness hereby secured, the Mortgagee has, concurrently herewith, executed and delivered to the Holder, the Assignment wherein and whereby, among other things, the Mortgagee has assigned to the Holder, all of the rights, powers, and profits and any and all Leases and/or the rights of management of the Premises, all as therein more specifically set forth, which said Assignment is hereby incorporated herein by reference as fully and with the same effect as if set forth herein at length. The Mortgagee agrees that it will duly perform and observe all of the terms and provisions of the terms formed and observed under the Assignment. The Mortgagee further agrees that it will duly perform and observe all of the terms and provisions of the terms formed and observed under the Assignment. The Mortgagee further agrees that it will duly perform and observe all of the terms and provisions of the terms formed and observed under the Assignment. The Mortgagee further agrees that it will duly perform and observe all of the terms and provisions of the terms formed and observed under the Assignment.

29. The Mortgagee hereby covenants and agrees to the full extent permitted by law (but not otherwise) that it will not at any time initiate upon or place in any manner whatsoever claim or take any advantage of, any stay, exemption or extension law, any "Homestead Law" or any other law, now or at any time hereafter in force, not claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any order of any court of competent jurisdiction, or after such sale or sales claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshaling thereof, upon foreclosure sale or other non-judicial foreclosure, Mortgagee hereby expressly waives any and all rights of redemption from foreclosure under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each person, excepting only decrees or judgments of the Mortgagee or any other creditor of the Mortgagee acquiring any interest in or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of the Mortgagee and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by the provisions of Chapter 110, Paragraph 15-1001 of the Illinois Revised Statutes (1989) or other applicable replacement statutes, insofar as the Mortgagee may lawfully so agree, the Mortgagee covenants and agrees not to invoke or utilize any such law or statute to delay or impede the execution of any right, power or remedy herein otherwise granted or delegated to the Mortgagee or any Holder, but covenants and agrees to suffer and permit the execution of every such right, power, and remedy as though no such law or statute had been made or enacted.

28. In case of an insured fire or other loss, the proceeds of any insurance policy or policies shall be applied in reducing or restoring the building or improvements, as aforesaid, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the loss clause attached to each of the casualty insurance policies may be canceled and that the decree creditor may cause a new loss clause to be attached to each of said casualty insurance policies making the loss thereunder payable to said decree creditors; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statute in such case made and provided, then in every such case, each and every successive redeemer may cause the preceding loss clause attached to each casualty insurance policy to be canceled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of foreclosure sale, the Mortgagee or any Holder is hereby authorized without the consent of the Mortgagee to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as the Mortgagee or any Holder may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

27. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 25 hereof; Second, all other items which, under the terms hereof, constitute indebtedness hereby secured additional to that evidenced by the Note, with interest on such items as herein provided; Third, to principal and interest remaining unpaid upon the Note, ratably and without priority; and, lastly, any surplus to the Mortgagee, and its successors or assigns, as their rights may appear.

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

39. Mortgagor represents and warrants that:

(a) Mortgagor has not used Hazardous Materials (as defined hereinafter) on, from or affecting the Premises in any manner which violates federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, and that, to the best of Mortgagor's knowledge, no prior owner of the Premises or any tenant, subtenant, occupant, prior tenant, prior subtenant or prior occupant has used Hazardous Materials on, from or affecting the Premises in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials;

(b) Mortgagor has never received any notice of any violations of federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and, to the best of Mortgagor's knowledge, there have been no actions commenced or threatened by any party for noncompliance;

(c) For purposes of this Mortgage, "Hazardous Materials" include without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in any federal, state or local governmental law, ordinance, rule or regulation;

(d) Mortgagor shall deliver to Mortgagee the Disclosure Document in accordance with Section 4 of the Illinois Responsible Property Transfer Act (hereinafter called "Act") on or before the date hereof.

40. Mortgagor shall keep or cause the Premises to be kept free of Hazardous Materials, and, without limiting the foregoing, Mortgagor shall not cause or permit the Premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials, except in compliance with all applicable federal, state and local laws and regulations, nor shall Mortgagor cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor or any tenant, subtenant or occupant, a release of Hazardous Materials onto the Premises or onto any other property.

41. Mortgagor shall:

(a) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, under, from or affecting the Premises in accordance with all applicable federal, state, and local laws, ordinances, rules, regulations and policies, to the reasonable satisfaction of Mortgagee, and in accordance with the orders and directives of all federal, state and local governmental authorities; and

(b) defend, indemnify and hold harmless Mortgagee, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to:

(i) the presence, disposal, release or threatened release of any Hazardous Materials on, over, under, from, or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons or animals thereon;

(ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials;

(iii) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials; and/or

(iv) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of Mortgagee, which are based upon or in any way related to such Hazardous Materials including, without limitation, reasonable attorneys' and consultants' fees, investigation and laboratory fees, court costs, and litigation expenses.

42. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively served if personally delivered or three (3) days after having been mailed by United States Mail, certified mail, return receipt requested, postage prepaid to the parties hereto at the addresses shown below or at such other addresses as the parties hereto may by notice specify:

(a) If to Mortgagee/Bank:

NORTH COMMUNITY BANK

3639 N. Broadway

Chicago, IL 60613

(b) If to Mortgagor:

Ronald Lindquist

504 Alice Drive

Northbrook, IL

43. It is understood and agreed that the Loan evidenced by the Note and secured hereby is a business loan within the purview of Section 6404 of Chapter 17 of the Illinois Revised Statutes (1989), or any substitute, amended or replacement statutes, transacted solely for the purpose of carrying on or acquiring the business of the beneficiary of the Mortgage as contemplated by said Section.

44. Notwithstanding anything to the contrary herein contained, Mortgagor shall have the right to contest by appropriate legal proceedings diligently prosecuted any Taxes imposed or assessed upon the Premises or which may become a lien thereon and any mechanics', materialmen's or other liens or claims for lien upon the Premises (all herein called "Contested Liens"), and no Contested Lien shall constitute an Event of Default hereunder if, but only if:

(a) Mortgagor shall forthwith give notice of any Contested Lien to Mortgagee, the Holder and Collection Agent at the time the same shall be asserted;

(b) Mortgagor shall deposit with the Holder (or the Collection Agent on its behalf if so directed) the full amount (herein called the "Lien Amount") of such Contested Lien or which may be secured thereby, together with such amount as the Holder may reasonably estimate as interest or penalties which might arise during the period of contest; provided that in lieu of such payment Mortgagor may furnish to Holder a bond or title indemnity in such amount and form, and issued by a bond or title insuring company, as may be satisfactory to Holder;

(c) Mortgagor shall diligently prosecute the contest of any Contested Lien by appropriate legal proceedings having the effect of staying the foreclosure or forfeiture of the Premises, and shall permit the Mortgagee and Holder to be represented in such contest and shall pay all expenses incurred by the Mortgagee and Holder in so doing, including fees and expenses of Counsel (all of which shall constitute so much additional indebtedness Hereby Secured bearing interest at the Default Rate until paid, and payable upon demand);

(d) Mortgagor shall pay such Contested Lien and all Lien Amounts together with interest and penalties thereon (i) if and to the extent that any such Contested Lien shall be determined adverse to Mortgagor, or (ii) forthwith upon demand by Mortgagee, any Holder or the Collection Agent if, in the reasonable opinion of Mortgagee, any Holder or the Collection Agent, and notwithstanding any such contest, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed; provided that if Mortgagor shall fail so to do, Mortgagee, any Holder or the Collection Agent may, but shall not be required to, pay all such Contested Liens and Lien Amounts and interest and penalties thereon and such other sums as may be necessary in the judgment of the Mortgagee, any Holder or the Collection Agent to obtain the release and discharge of such liens; and any amount expended by Mortgagee, any Holder or the Collection Agent in so doing shall be so much additional indebtedness Hereby Secured being interest at the Default Rate until paid, and payable upon demand; and provided further, that Mortgagee, any Holder or the Collection Agent may in such case use and apply for the purpose monies deposited as provided in Subsection (b) above and may demand payment upon any bond or title indemnity furnished as aforesaid.

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