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AMENDED AND RESTATED MORTGAGE AND SECURITY AGREEMENT *

Cover Sheet

Date: January 10, 1994

Effective Date: July 1, 1993

Borrower: NBD Elk Grove Bank, as trustee under Trust No. 2370 dated February 26, 1985

NBD BANK, SUCCESSOR TRUSTEE TO
NBD TRUST COMPANY OF ILLINOIS

**Borrower's Federal Income Tax Employer's Identification No. or
Social Security No.:** 36-3359663

89

Borrower's Notice Address: Basswood Associates c/o Mr. Walter Bratkiv
500 East Remington Road
Schaumburg, Illinois 60173

Lender: New England Mutual Life Insurance Company
Massachusetts corporation, together with other holders from time to
time of the Note (as herein defined).

Lender's Notice Address: c/o Boylston Capital Advisors, Inc.
The Mortgage Group
501 Boylston Street
Boston, Massachusetts 02117

Note Amount: \$ 3,200,000

Maturity Date: January 10, 1999

State: Illinois

Record Owner of the Land (as defined herein): NBD BANK, SUCCESSOR TRUSTEE TO
NBD TRUST COMPANY OF ILLINOIS

NBD Elk Grove Bank, as trustee under Trust No. 2370 dated February 26, 1985
(name)

Exhibits A and B hereto are incorporated herein by reference.

This document prepared by: _____ and should be returned to

Valerie A. Haugh, Esq.
Sonnenschein Nath & Rosenthal
8000 Sears Tower
Chicago, IL 60606-6404

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* See page (i).

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BOX 333-CTI

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6/22/2016 10:00 AM

COOK COUNTY CLERK'S OFFICE
601 N. LAUREL ST. CHICAGO, IL 60610

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This Amended and Restated Mortgage and Security Agreement is executed on the day set forth below to be effective as of the 1st day of July, 1993 between Borrower and Lender and amends and restates in its entirety that certain Mortgage and Security Agreement dated May 15, 1988 by Borrower to Lender and recorded on June 29, 1988 in the Cook County Recorder's Office as Document No. 88285302 (as amended, the "Original Indenture"). It is intended that the terms and provisions of this Indenture and not the Original Indenture shall govern the subject matter hereof; however, this Indenture does not represent a new indenture but rather supplements the Original Indenture, which is being made on, and shall hereafter be governed by, the terms, conditions, covenants and provisions set forth herein.

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DATED January 10, 1994 UNDER TRUST NO: 2370-EG

This MORTGAGE is executed by NBD Bank, (successor Trustee to NBD Trust Company of Illinois, not personally but as Trustee under Trust No. 2370-EG in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said NBD Bank, hereby warrants that it possesses full power and authority to execute this instrument) and it is expressly understood and agreed that nothing contained herein or in the Note or in any other instrument given to evidence the indebtedness secured hereby shall be construed as creating any liability on the part of the Mortgagor, or on said NBD Bank, 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 Mortgagee, the legal owner(s) or holder(s) of said Note, and by every person now or hereafter claiming any right or security hereunder; and that so far as the Mortgagor and said NBD Bank, 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 mortgaged by the enforcement of the lien hereby created in the manner herein and said Note provided or by action to enforce the personal liability of the guarantors, if any. All the covenants and conditions to be performed hereunder by NBD Bank, are undertaken by it solely as Trustee as aforesaid and not individually, and no personal or individual liability shall be asserted or enforceable against NBD Bank, by reason of any of the covenants, statements, representations, indemnifications or warranties expressed or implied herein contained in this instrument.

It is also expressly understood and agreed by every person, firm or corporation claiming any interest under this document that NBD Bank, shall have no liability, 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 property, built, water, vegetation, building, personal property, persons or animals thereof; (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 the trustee which are based upon or in any way related to such hazardous materials including, without limitation, attorneys' and consultants' fees, investigation and laboratory fees, court costs, and litigation expenses.

In the event of any conflict between the provisions of this exculpatory rider and the provisions of the document to which it is attached, the provisions of this rider shall govern.

NBD BANK, Successor Trustee to NBD Trust Company of Illinois, as Trustee under Trust No. 2370-EG and not individually

By Patricia A. Dunleavy
Trust Officer

COOK COUNTY, ILLINOIS
FILED FOR RECORD

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ATTEST:
Annette N. Brusca
Ass't Trust Officer

STATE OF ILLINOIS)
COUNTY OF Cook) ss.

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that Patricia A. Dunleavy, Ass't Trust Officer of NBD Bank, and Annette N. Brusca, Ass't Trust Officer personally known to me to be the said persons whose names are subscribed to the foregoing instrument as such Ass't Trust Officer and Ass't 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 corporation, for the uses and purposes herein set forth, and the said Ass't Trust Officer did also then and there acknowledge that he/she as custodian of the corporate seal of said Corporation did affix the said corporate seal of said corporation to said instrument as his/her own free and voluntary act, and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 13th day of January, 1994

Patricia A. Genenz
Notary Public

" OFFICIAL SEAL "
PATRICIA A. GENENZ
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXP: 6/2/94

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THIS RIDER ATTACHED HERETO AND MADE PART HEREOF

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1. **DEFINITION OF TERMS.** As used herein, the terms defined on the cover sheet hereof shall have the meanings given on such sheet, and the following terms shall have the following meanings:
 - 1.1 **Commitment:** a certain mortgage loan agreement executed by Borrower and Lender for the loan secured by this Indenture.
 - 1.2 **Casualty:** as defined in Paragraph 5.1.
 - 1.3 **Clean-Up:** removal and/or remediation of Contamination in accordance with Laws and good commercial practice.
 - 1.4 **Contaminants:** all substances and compounds prohibited or regulated under any Laws; materials containing asbestos or urea formaldehyde; gasoline and other petroleum products; flammable explosives; radon and other natural gases; radioactive materials; and polychlorinated biphenyls and similar solvents.
 - 1.5 **Contamination:** the presence of, use, generation, manufacture, storage, treatment, disposal, discharge or release on, from or to the Property of Contaminants.
 - 1.6 **Contested Sum:** as defined in clause (f) of Paragraph 4.1.
 - 1.7 **Environmental Actions or Claims:** any claim, action or proceeding brought by a governmental authority in connection with Contamination or any claim or action brought by a third party relating to Contamination.
 - 1.8 **Event of Default:** as defined in Paragraph 8.1.
 - 1.9 **Improvements:** all buildings, structures and other improvements now or hereafter existing, erected or placed on or under the Land, or in any way used in connection with the use, enjoyment, occupancy or operation of the Land or any portion thereof; all fixtures of every kind and nature whatsoever now or hereafter owned by Borrower and used or procured for use in connection with the Realty.
 - 1.10 **In its sole unfettered discretion:** as defined in Paragraph 10.8.
 - 1.11 **Indenture:** this Mortgage and Security Agreement and all modifications or amendments thereto or extensions thereof.
 - 1.12 **Insurance Premiums:** as defined in Paragraph 4.3.
 - 1.13 **Insurance Proceeds:** as defined in clause (a) of Paragraph 5.3.
 - 1.14 **Land:** the land described in Exhibit A attached hereto, together with all estate, title, interests, title reversion rights, rents, increases, issues, profits, rights of way or uses, additions, accretions, servitudes, gaps, gores, liberties, privileges, water rights, water courses, alleys, streets, passages, ways, vaults, adjoining strips of ground, licenses, tenements, franchises, hereditaments, rights, appurtenances and easements, now or hereafter owned by Borrower and existing belonging or appertaining to the Land, all claims or demands whatsoever of Borrower therein or thereto, either at law or in equity, in possession or in expectancy and all estate, right, title and interest of Borrower in and to all streets, roads and public places, opened or proposed, now or hereafter used in connection with, existing, belonging or appertaining to the Land.

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- 1.15 **Laws:** any and all Federal, regional, state or local laws, ordinances, rules, regulations, statutes, decisions, orders, judgments, directives or decrees of any governmental or regulatory authority, court or arbitrator whether now in force or as amended or enacted in the future, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 as amended by the Superfund Amendment and Reauthorization Act of 1986, the Resource Conservation and Recovery Act of 1976, and the state and local laws set forth in Exhibit B.
- 1.16 **Leases:** all leases, license agreements and other occupancy or use agreements (whether oral or written), now or hereafter existing, which cover or relate to all or any portion of the Property, together with all options therefor, amendments thereto and renewals, modifications and guarantees thereof, and all rents, royalties, issues, profits, revenues, income and other benefits of the Property arising at any time (including, without limitation, after the filing of any petition under any present or future Federal or state bankruptcy or similar law) from the use or enjoyment thereof, including, without limitation, cash or securities deposited thereunder to secure performance by the tenants of their obligations thereunder, whether said cash or securities are to be held until the expiration of the terms of the Leases or applied to one or more of the installments of rent coming due, additional, percentage, participation and other rentals, fees and deposits.
- 1.17 **Lease Assignment:** a certain ^{Amended and Restated} Assignment of Leases and Rents of even date herewith from Borrower to Lender and all replacements, substitutions, modifications or amendments thereto or extensions thereof.
- 1.18 **Loan Documents:** this Indenture, the Note, the Lease Assignment and any and all other documents or instruments related thereto or to the Secured Debt now or hereafter given by or on behalf of Borrower to or for the benefit of Lender.
- 1.19 **Net Proceeds:** as defined in Paragraph 5.3.
- 1.20 **Note:** a certain ^{Amended and Restated} Promissory Note of even date herewith made by Borrower in favor of Lender in the Note Amount and all replacements, substitutions, modifications, renewals and extensions thereof, which Note is payable in Monthly Payments, until the Maturity Date (as each term is defined in the Note).
- 1.21 **Parties in Interest:** as defined in clause (d) of Paragraph 8.1.
- 1.22 **Permitted Encumbrances:** matters set forth or referred to in the Lender's title insurance policy issued in connection with the execution and recording of this Indenture.
- 1.23 **Personalty:** all of Borrower's interest in personal property of any kind or nature whatsoever, whether tangible or intangible, which is used or will be used in the construction of, or is or will be placed upon, or is derived from or used in connection with, the maintenance, use, occupancy, or enjoyment of the Realty, including, without limitation, all accounts, documents, instruments, chattel paper, equipment, general intangibles and inventory (as those terms are defined in the Uniform Commercial Code of the State), all plans and specifications, contracts and subcontracts for the construction, reconstruction or repair of the improvements, bonds, permits, licenses, guarantees, warranties, causes of action, judgments, claims, profits, security deposits, utility deposits, refunds of fees, insurance premiums, deposits paid to any governmental authority, letters of credit, insurance policies, insurance proceeds, Taking Proceeds, and escrowed funds together with all present and future attachments, accretions, accessions, replacements, and additions thereto and products and proceeds thereof.

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1.24 *Property*: the Realty and Personalty or any portion thereof or interest therein, except as the context otherwise requires.

1.25 *Property Liabilities*: as defined in clause (e) of Paragraph 4.1.

1.26 *Property Taxes and Charges*: all real estate taxes, personal property taxes, betterments, assessments (general and special), imports, levies, water, utility and sewage charges, any and all income, franchise, withholding, profits and gross receipts taxes, all other taxes and public charges, imposed upon or assessed against Borrower or the Property or upon the revenues, rents, issues, income and profits of use or possession thereof, and any stamp or other taxes which may be required to be paid with respect to any of the Loan Documents, any of which might, if unpaid, result in a lien on the Property, regardless to whom paid or assessed.

The term "real estate taxes" in the foregoing sentence shall include any form of assessment, license fee, license tax, business license fee or tax, commercial rental tax, levy, charge, penalty, tax or similar imposition, imposed by any authority having the direct power to tax, including any city, county, state or Federal government, or any school, architectural, lighting, drainage or other improvement or special assessment district thereof, against any legal or equitable interest in the Property, except general business taxes imposed on Lender other than taxes or other amounts referred to in Paragraph 4.1(d).

1.27 *Realty*: the Land and Improvements or any portion thereof or interest therein, as the context requires.

1.28 *Restoration*: as defined in clause (a)(i) of Paragraph 5.4.

1.29 *Secured Debt*: to the extent not prohibited by laws, all principal, interest, late charges and other sums, charges, premiums, prepayment and other indemnification amounts or other amounts due or to become due under the Loan Documents, together with any other sums expended or advanced by or on behalf of Lender under the Loan Documents or otherwise with respect to the care, maintenance or preservation of the Property or the enforcement of the Loan Documents.

1.30 *Taking*: as defined in Paragraph 5.1.

1.31 *Taking Proceeds*: as defined in clause (a) of Paragraph 5.3.

2. **GRANTING CLAUSES.** For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower has executed and delivered the Loan Documents and hereby irrevocably and absolutely grants, transfers, assigns, mortgages, bargains, sells and conveys to Lender with all ~~POWERS OF SALE AND STATUTORY RIGHTS AND COVENANTS~~ in the State, all of Borrower's estate, right, title and interest in, to and under the Realty, and grants to Lender a first and prior security interest in the Personalty and any and all of the following, whether now owned or held or hereafter acquired or owned by Borrower:

(a) all Leases;

(b) all profits and sales proceeds including, without limitation, earnest money and other deposits, now or hereafter becoming due by virtue of any contract or contracts for the sale of Borrower's interest in the Property; and

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(c) all proceeds (including claims thereto or demands therefore) of the conversion, voluntary or involuntary, permitted or otherwise, of any of the foregoing into cash or liquidated claims.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS OF BORROWER TO LENDER, in such order of priority as Lender may elect:

- (1) payment of the Secured Debt;
- (2) payment of such additional sums with interest thereon which may hereafter be loaned to Borrower by Lender or advanced under the Loan Documents, even if the sum of the amounts outstanding at any time exceeds the Note Amount; and
- (3) due, prompt and complete observance, performance, fulfillment and discharge of each and every obligation, covenant, condition, warranty, agreement and representation contained in the Loan Documents.

This Indenture is also intended to be a security agreement under the Uniform Commercial Code as in force from time to time in the State. Time is of the essence.

3. REPRESENTATIONS AND WARRANTIES. Borrower hereby represents ~~and warrants~~ to Lender that the following are true, correct and complete as of the date of this Indenture.

- 3.1 *Due Organization; Authority.* Borrower is duly organized and validly existing and in good standing under the laws of the State and has power adequate to carry on its business as presently conducted, to own the Property, to make and enter into the Loan Documents and to carry out the transactions contemplated therein.
- 3.2 *Execution, Delivery and Effect of Loan Documents.* The Loan Documents have each been duly authorized, executed and delivered by Borrower, and each is a legal, valid and binding obligation of Borrower, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and subject to the exercise of judicial discretion in accordance with general principles of equity.
- 3.3 *Other Obligations.* Borrower is not in material violation of any term or provision of any document governing its organization or existence or in default under any material instruments or obligations relating to Borrower's business, Borrower's assets or the Property. No party has asserted any material claim or default relating to any of Borrower's assets or the Property. The execution and performance of the Loan Documents and the consummation of the transactions contemplated thereby will not materially violate or contravene or constitute a material default under any charter, certificate, by-laws, partnership agreement, trust declaration, contract, agreement, document or other instrument to which Borrower is a party or by which Borrower may be bound or affected, and do not and will not violate or contravene any Laws to which Borrower is subject; nor do any such instruments impose or contemplate any obligations which are or will be materially inconsistent with the Loan Documents. Borrower has filed all Federal, state, county and municipal income tax returns required to have been filed by Borrower and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments received by Borrower. Borrower does not know of any basis for additional assessment with regard to any such tax. No approval by, authorization of, or filing with any Federal, state or municipal or other governmental authority is necessary in connection with the authorization, execution and delivery of the Loan Documents.

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- 3.4 **Construction and Completion of Improvements.** The presently existing Improvements have been completed and installed in a good and workmanlike manner, in compliance with Laws and any plans and specifications previously delivered to, and approved in writing by, Lender. The Improvements do not contain any urea formaldehyde or asbestos. The Improvements are served by electric, gas, sewer, water, telephone and other utilities required for the present and contemplated uses and operation thereof. Any and all streets, utility lines and off-site improvements, which provide access to the Property or are necessary for its present and contemplated uses, have been completed, are serviceable and have been accepted or approved by appropriate governmental bodies.
- 3.5 **Legal Actions.** There are no material actions suits or proceedings including, without limitation, any Environmental Actions or Claims (whether or not material), condemnation, insolvency or bankruptcy proceedings, pending or, to the best of Borrower's knowledge and belief, threatened against or affecting Borrower, its business or the Property; or investigations, at law or in equity before or by any court or governmental authority pending or, to the best of Borrower's knowledge and belief, threatened against or affecting Borrower, Borrower's business or the Property, except actions, suits and proceedings fully covered by insurance and heretofore fully disclosed in writing to Lender or, which if received adversely to Borrower, would not have a material, adverse effect on Borrower or the Property. Borrower is not in default with respect to any order, writ, injunction, decree or demand of any court or any governmental authority affecting Borrower or the Property. Furthermore, to the best knowledge and belief of Borrower, there is no basis for any unfavorable decision, ruling or finding by any court or governmental authority which would in any material respect adversely affect the validity or enforceability of the Loan Documents, or the condition of Borrower (financial or otherwise) or the ability of Borrower to meet Borrower's obligations under the Loan Documents.
- 3.6 **Financial Statements.** All statements, financial or otherwise, submitted to Lender in connection with the Commitment are true, correct and complete in all material respects, and such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied (or other basis of accounting practices permitted by Lender) and fairly present the financial condition of the parties or entities covered by such statements as of the date thereof. Since the date thereof, neither Borrower nor any such party or entity has experienced any material adverse change in its finances, business, operations, affairs or prospects.
- 3.7 **Adverse Change to Property.** No event or series of events has occurred since the date of the Commitment which would, either individually or collectively, materially and adversely affect the Property.
- 3.8 **Title to Property.** Borrower has good and clear record and marketable title to the Realty and good and merchantable title to the Personality, free of all liens, claims, encumbrances or restrictions other than the Permitted Encumbrances.
- 3.9 **Compliance with Laws and Private Covenants.** The Property complies in all material respects with all Laws. Borrower has examined and is familiar with all private covenants affecting the Property, including, without limitation, private covenants contained in the Permitted Encumbrances and there now exists no material violation thereof. Borrower has no notice that any of the Improvements encroach upon any easement over the Land or encroach upon adjacent property or that buildings or other structures on adjacent property encroach upon the Land.
- 3.10 **Independence of this Property.** The Land is a separate and distinct parcel for tax purposes and is not subject to Property Taxes and Charges against any other land. Borrower has

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not by act or omission permitted any building or other improvements on property not covered by this Indenture to rely on the Property or any part thereof or any interest therein to fulfill any municipal or governmental requirement for the existence of such property, building or improvement, and no improvement on the Property relies on any property not covered by this Indenture or any interest therein to fulfill any governmental or municipal requirement. Borrower has not by act or omission impaired the integrity of the Property as a single, separate, subdivided zoning lot separate and apart from all other property.

3.11 Contamination. To the best of Borrower's knowledge and belief, after due investigation and inquiry, no Contamination has occurred.

4. COVENANTS.

4.1 Payments.

- (a) **Secured Debt.** Borrower shall pay to Lender the Secured Debt at the times and in the manner provided in the Note and the other Loan Documents.
- (b) **Property Taxes and Charges.** Except as provided in Paragraph 4.1(f), Borrower shall pay, prior to the date on which interest begins to accrue thereon, all Property Taxes and Charges.
- (c) **Escrow.** Borrower shall pay to Lender monthly, on each date on which a Monthly Payment (as defined in the Note) is due, 1/12 of such amount as Lender from time to time estimates will be required to pay all Property Taxes and Charges when due. If the Property Taxes and Charges are due in less than twelve months from the First Payment Date (as defined in the Note), Borrower shall make equal monthly payments in amounts sufficient to pay the Property Taxes and Charges when due. After the occurrence of an Event of Default, Borrower shall also pay to Lender monthly, on each date on which a Monthly Payment is due under the Note, 1/12 of such amount as Lender from time to time estimates will be required to pay Insurance Premiums. If the Insurance Premiums are due in less than twelve months from the date of the first Monthly Payment after the occurrence of an Event of Default, Borrower shall make equal monthly payments in amounts sufficient to pay the Insurance Premiums when due. Lender's estimates shall be based on the amounts actually payable or, if unknown, on the amounts actually paid for the year preceding that for which such payments are being made. Borrower shall transmit to Lender bills for the Property Taxes and Charges and, if applicable, Insurance Premiums as soon as received. When Lender has received funds sufficient to pay the same, Lender shall, except as provided in Paragraph 8.2, pay such bills. If the amount paid by Borrower in any year exceeds the aggregate required, such excess shall be applied to escrow payments for the succeeding year. Any deficiencies shall be paid by Borrower to Lender on demand. Payments for such purposes may be made by Lender at its discretion even though subsequent owners of the Property may benefit thereby. Lender shall not be a trustee of such funds and may commingle them with its general assets without any obligation to pay interest thereon or account for any earnings, income or interest on such funds.
- (d) **Taxes on Lender.** If any Law imposes upon Lender the obligation to pay the whole or any part of the Property Taxes and Charges or changes in any way Laws relating to taxation so as to affect adversely the Loan Documents, then Borrower shall pay such Property Taxes and Charges or reimburse Lender immediately therefor, unless in the opinion of counsel to Lender, it might be unlawful to require Borrower to pay the same or such payment might result in the imposition of interest prohibited by Laws. In such case, an Event of Default shall exist, but if Lender accelerates the Secured Debt solely

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because of such Event of Default, the Secured Debt shall not include the prepayment indemnification provided for in paragraph 13 of the Note.

(e) *Liabilities.* Except as provided in Paragraph 4.1(f), Borrower shall pay, prior to delinquency, all debts and liabilities incurred in the construction, operation, development, use, enjoyment, repair, maintenance, replacement, restoration, management and Clean-Up of the Property ("Property Liabilities") including without limitation, utility charges, sums due to mechanics and materialmen and other sums secured or which might be secured by liens on the Property.

(f) *Right to Contest.* Borrower may, in good faith and by appropriate proceedings, contest the validity, applicability or amount of any asserted Property Taxes and Charges, Property Liabilities or liens, charges, attachments or lis pendens under Paragraph 4.2(b) ("Contested Sum") after written notice of the same to Lender. During such contest, Borrower shall not be deemed in default hereunder if: (i) prior to delinquency of the Contested Sum, Borrower deposits with Lender or Lender's nominee cash or other security, in form reasonably satisfactory to Lender, adequate to cover the payment of such Contested Sum and any obligation, whether matured or contingent, of Borrower or Lender therefor, together with interest, costs and penalties thereon; and (ii) Borrower promptly pays any amounts adjudged to be due, together with all costs, penalties and interest thereon, on or before such judgment becomes final. Each such contest shall be concluded and the Contested Sum, interest, costs and penalties thereon shall be paid prior to the date such judgment becomes final and before any writ or order is issued under which the Property could be sold pursuant to such judgment. *

(g) *Expenses.* To the extent allowed by Laws, Borrower shall pay, on demand, but without counterclaim, setoff, deduction, defense, abatement, suspension, deferment, discrimination or reduction all fees (including, without limitation, reasonable attorneys' fees and disbursements) taxes, recording fees, commissions and other liabilities, costs and expenses incurred in connection with: (i) the making or enforcement of the Loan Documents; (ii) Lender's exercise and enforcement of its rights and remedies under Paragraphs 7 and 8 hereof; (iii) Lender's protection of the Property and its interest therein; and (iv) any amendments, consents, releases, or waivers if granted by Lender under the Loan Documents.

Borrower shall not be entitled to any credit on the Secured Debt by reason of its payment of any sums required to be paid under Paragraph 4.1(b) through (f) unless such sums are paid to reimburse Lender for amounts paid by Lender and added by Lender to the Secured Debt.

4.2 Operation of the Property.

(a) *Maintenance; Alterations.* Borrower shall maintain and preserve the Property in good repair and condition and shall correct any defects or faults in the Property. Borrower shall not commit, permit or suffer any demolition or waste of the Property or any use or occupancy which constitutes a public or private nuisance. Borrower shall not do, permit or suffer to be done any act whereby the value of the Property may be materially decreased. Borrower shall not make any material alterations, improvements, additions, utility installments or the like to the Property without the prior written consent of Lender in each instance; provided, however, the Borrower may make replacements or substitutions of any item of the Personality if the replacement or substitution is of a quality, utility, value, condition and character similar to or better

* Without limiting the generality of the foregoing, if Borrower so directs, Property Taxes may be paid under protest in accordance with local practices and procedures and in a manner ⁷ reasonably satisfactory to Lender.

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than the replaced or substituted item and is free and clear of any lien, charge, security interest or encumbrance, except as created or permitted by this Indenture.

- (b) *Liens.* Except as provided in Paragraph 4.1(f) Borrower shall promptly discharge any mechanics, laborers', materialmens' or similar lien or any other lien, charge, attachment, or lis pendens filed or recorded against the Property which relates to Borrower, the Property or any Contamination.
- (c) *Compliance with Laws and Private Covenants.* Borrower shall keep, observe, and satisfy and not suffer violations of Laws and private covenants (whether or not listed as Permitted Encumbrances) materially affecting the Property.
- (d) *Use.* Borrower shall not permit the use or occupancy of the Property other than pursuant to Leases which shall have been approved in advance and in writing by Lender pursuant to the Lease Assignment or which require no approval thereunder. Borrower shall not use or permit the use or occupancy of the Property in a manner which will result in Contamination and Borrower shall take all steps reasonably necessary under the circumstances including, without limitation, periodic inspections and assessments of the Property, to determine whether Contamination has occurred.
- (e) *Inspection.* Whether or not an Event of Default (as defined in Paragraph 8.1) has occurred and exists, Lender and its agents and contractors, shall have the right, but not the duty or obligation, to enter upon the Property at reasonable times without delay, hindrance or restriction, in order to conduct appraisals and inspections of the Property, including, but not limited to environmental inspections. If, in the reasonable belief of Lender, Contamination has occurred or is likely to occur Lender shall have the right, but not the duty or obligation to conduct, or cause to be conducted, testing, including, but not limited to, soil, air and groundwater sampling, regarding such Contamination. Any environmental inspections or testing shall be paid for by the Borrower. Lender shall have the right, but not the duty or obligation, to disclose the results of such inspections and testing as required by Laws or as deemed appropriate by Lender.
- (f) *Clean-Up.* Borrower shall initiate Clean-Up of any Contamination within 15 days after discovery or after written notice to Borrower from any person or, if the Contamination poses an imminent hazard to the Property, the public or the environment, within 3 days after discovery or after reasonable notice of any kind from any person and shall diligently pursue such Clean-Up to completion.

4.3 *Insurance.* Borrower shall obtain and keep in force, with one or more insurers with a Best's Rating of A X or higher, such insurance as Lender may from time to time specify by notice to Borrower, including, as a minimum insurance providing: (i) comprehensive general liability and property damage coverage with a broad form coverage endorsement and a combined single limit of at least \$1,000,000; (ii) protection against fire, "extended coverage" and other "All Risk" perils, including, if specifically required by Lender, earthquake and flood, to the full replacement cost of the Property; and (iii) rent loss insurance in an amount of not less than a sum equal to 12 months of rental income from all Leases. All property insurance policies shall include the standard mortgagee clause in the State naming Lender as the first mortgagee with all losses payable to Lender. All liability policies shall name Lender as an additional insured. All insurance policies shall provide that the policy may not be cancelled or modified in any material way without 30 days prior written notice to Lender and that the deductible for any single Casualty shall not be more than \$25,000. Upon notice from Lender and at least 15 days prior to the expiration date of any policy required hereunder, Borrower shall provide Lender with

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evidence of compliance with this Paragraph 4.3, in such form as required from time to time by Lender. Such form shall bear notations evidencing the prior payment of premiums ("Insurance Premiums") or shall be accompanied by other evidence satisfactory to Lender that such payment has been made. See Paragraph 1 on Page 9A.

All property insurers shall agree not to acquire any rights of recovery against Lender by subrogation. Borrower, to the full extent permitted by Laws and to the full extent permitted without invalidating the Insurance policies required above, shall obtain endorsements by all insurers waiving any right of subrogation against tenants under any Leases and shall require the same of such tenants. Lender shall not because of accepting, rejecting, approving or obtaining Insurance, incur any liability for the existence, nonexistence, continuation, form or legal sufficiency of any insurance, the solvency of any insurer, or the payment of losses.

Borrower shall keep, observe and satisfy, and not suffer violations of the requirements, including those requirements pertaining to acts committed or conditions existing on the Property, of insurance companies and any bureau or agency which establishes standards of insurability affecting the Property.

Upon foreclosure of this Indenture or other transfer of title or assignment of the Property in discharge, in whole or part, of the Secured Debt, all right, title and interest of Borrower in and to all policies of insurance required by this Paragraph 4.3 shall inure to the benefit of and pass to Lender.

4.4 Sales and Encumbrances. Borrower shall not, without the prior written consent of Lender, which consent, if given in Lender's sole unfettered discretion, may be conditioned upon a change in the interest rate under the Note, payment of a fee or change in the term of the Note, adjustment of the Maturity Date or amortization period or one or more of the foregoing or other requirements of Lender:

(a) convey, assign, sell, mortgage, encumber, pledge, dispose of, hypothecate, grant a security interest in, grant options with respect to, or otherwise dispose of (directly or indirectly or by operation of law or otherwise, of record or not) all or any part of any legal or beneficial interest in any part or all of the Property or the Leases, or any interest therein; or

(b) directly or indirectly sell, assign or otherwise dispose of (whether or not of record or for consideration), or permit the sale, assignment or other disposition of; (i) any legal or beneficial interest in the stock of any corporation which is either Borrower or is a beneficial owner of all or part of Borrower or the Property; or (ii) any legal or beneficial interest in Borrower (or any trust of which Borrower is a trustee) if Borrower is a limited or general partnership, joint venture, trust, nominee trust, tenancy in common or other unincorporated form of business association or form of ownership, except limited partnership interests if Borrower is a limited partnership.

See Paragraph 2 on Page 9A.

4.5 Financial Records and Statements. Borrower shall keep accurate books and records in accordance with generally accepted accounting principles consistently applied (or other basis of accounting practices prescribed or permitted by Lender) in which full, true and correct entries shall be promptly made as to all operations of the Property and shall permit all such books and records to be inspected and copied by Lender, its designees or its representatives during customary business hours. Borrower shall deliver to Lender within 90 days after the close of its financial year, and upon request by Lender at any time during the term of the Loan, a statement of condition or balance sheet of Borrower relating solely to the Property as of the end of such year and an annual operating

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(1) Without limiting the generality of the foregoing, a blanket insurance policy in the limits and satisfying the requirements of the foregoing subparagraph 4.3 shall satisfy the requirements of this Indenture provided, however, such policy identifies the Property. Furthermore, without limiting the generality of the foregoing subparagraph 4.3, Lender agrees that the amount of any such policy shall not be more than the insurable value of the Property.

(2) Without limiting the generality of the foregoing subparagraph 4.4, the provisions of such Paragraph 4.4 shall not apply to:

- (a) Liens securing the Secured Debt;
- (b) The lien of current real estate taxes and assessments upon the Property not yet due and payable;
- (c) Any transfer of the Property or any part or interest therein, or any beneficial interest, shares of stock, or partnership or joint venture interest, as the case may be, in Borrower or any beneficiary of Borrower by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such Owner's heirs, levities, devisees, executors, administrators, estate, personal representatives and/or committee, provided that (i) such transfers will not cause a termination of the existence of the Beneficiary, and (ii) following such transfers, Walter Bratkiv or Julian Kulis (or entities wholly owned by them) remains the owner of not less than 51% of the profits and losses and percentage of capital and in control and management of the beneficiary of the Borrower;
- (d) Transfers of limited partnership interests in the beneficiary of Borrower among the existing limited partners in such beneficiary;
- (e) Transfers of general partnership interest in the beneficiary among the general and/or limited partners in the beneficiary, provided that (i) such transfers will not cause a termination of the existence of the Beneficiary, and (ii) following such transfers, Walter Bratkiv or Julian Kulis (or entities wholly owned by them) remains the owner of not less than 51% of the profits and losses and percentage of capital and in control and management of the beneficiary of the Borrower.

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statement showing in reasonable detail all income and expenses of Borrower with respect to the Property, both certified as to accuracy by either ~~an independent certified public accountant acceptable to Lender (if requested by Lender)~~ or the senior financial officer or partner of Borrower. Borrower shall also deliver to Lender within 90 days after the close of its financial year and upon request by Lender at any time during the year a current list of all persons then occupying portions of the Property under Leases, the rentals payable by such tenants and the unexpired terms of their Leases, certified as to their accuracy by a representative of Borrower acceptable to Lender, and in form and substance satisfactory to Lender. *

Beneficiary(ies) and not the Trustee

4.6 **Indemnity.** Borrower shall indemnify, defend and hold harmless Lender, its agents, employees and contractors from and against, and upon demand, reimburse Lender for all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, which may be imposed upon, asserted against or incurred or paid by Lender by reason of, on account of or in connection with:

- (a) any violation of Law;
- (b) any bodily injury or death or property damage occurring in, upon or in the vicinity of the Property through any cause whatsoever;
- (c) any Contamination, any Clean-Up, any Environmental Actions or Claims, or the imposition or recording of a lien against the Property due to any Contamination;
- (d) any act performed or omitted to be performed under the Loan Documents or on account of any transaction arising out of or in any way connected with the Property or the Loan Documents;
- (e) any expenditures or amounts advanced (other than advances of principal under the Note) by Lender at any time under the Loan Documents; and
- (f) any act or omission of Lender under any Lease or under the Loan Documents as a result of Lender's exercise of rights or remedies under Paragraph 8.2 or under any of the other Loan Documents.

The foregoing indemnification shall apply in all instances, unless the claim was directly caused by the gross negligence or intentional misconduct of Lender.

Borrower shall have the right to control any action for which an Indemnity is required pursuant to this Paragraph 4.6 through counsel of its choice, subject to Lender's consent; however, at Lender's option, Lender may participate in such action through its own counsel at Borrower's expense. If Borrower does not notify Lender of its intent to control such action within the earlier of 30 days of notice of such claim or 5 days prior to the time required by Law to respond to such claims, Lender may control and settle such action, including a settlement for non-monetary relief such as Clean-Up, without Borrower's consent and at Borrower's expense.

If Borrower is a general or limited partnership, Borrower waives any rights it may have to require Lender to proceed against the assets of the partnership before proceeding against the assets of individual general partners in the exercise of its rights under this Paragraph 4.6.

* Borrower shall provide within 90 days after the close of its financial year, and upon request by Lender at any time during the term of the Loan, annual financial statements for each of Walter Bratkiv and Julius Kulas, both certified as to accuracy by either an independent certified public accountant acceptable to Lender (if requested by Lender) or Walter Bratkiv and Julius Kulas, 10 respectively.

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- 4.7 *Notices.* Borrower shall deliver to Lender at Lender's Notice Address promptly upon receipt of the same, copies of all notices, certificates, documents and instruments received by Borrower which materially and adversely affect the Borrower, the Property or the Leases, including, without limitation, those given in connection with Contamination or Environmental Actions or Claims.
- 4.8 *Estoppel Certificates.* Borrower shall promptly furnish to Lender from time to time, on the request of Lender, written certifications signed and, if so requested, acknowledged setting forth the then unpaid principal and interest under the Note and specifying any claims, offsets or defenses which Borrower asserts against the Secured Debt or any obligations to be paid or performed by Borrower under the Loan Documents, together with any other information reasonably requested by Lender.
- 4.9 *Legal Existence.* Borrower shall continuously maintain its existence as a legal entity and its right to own the Property and to do business in the State.
- 4.10 *Defense and Notice of Actions.* Borrower shall, without liability, cost or expense to Lender protect, preserve and defend title to the Property, the security hereof and the rights or powers of Lender, against all adverse claimants to title or any possessory or non-possessory interests therein, whether or not such claimants or encumbrancers assert title paramount to that of Borrower or Lender or claim their interest on the basis of events or conditions arising subsequent to the date hereof.
- 4.11 *Lost Note.* Borrower shall, if the Note is mutilated, destroyed, lost, or stolen, deliver to Lender a new promissory note containing the same terms and conditions as the Note with a notation thereon of the unpaid principal and accrued and unpaid interest, whereupon the prior note shall be void and of no further force and effect. Any such new note shall be secured hereby and shall be deemed to be the "Note" referred to herein.
- 4.12 *Personalty.* Borrower shall use the Personalty primarily for business purposes and keep it at the Land. Borrower represents that the Land is Borrower's only place of business or, if not, that it shall maintain its principal place of business in the State. Borrower shall immediately notify Lender in writing of any change in its place of business and, as of the execution hereof and hereafter from time to time when requested by Lender, upon any acquisition of items of property constituting Personalty, Borrower shall provide Lender with a current, accurate inventory of the Personalty.
- 4.13 *Further Assurances.* Borrower shall promptly upon request of Lender: (a) correct any defect, error or omission which may be discovered in the contents of any Loan Document or in the execution or acknowledgement thereof; (b) execute, acknowledge, deliver and record or file such further instruments (including, without limitation, mortgages, deeds of trust, security agreements, financing statements and specific assignments of rents or leases); and (c) do such further acts as may be necessary, desirable or proper in Lender's opinion to: (i) protect and preserve the first and valid lien and security interest of this Indenture on the Property or subject thereto any property intended by the terms thereof to be covered thereby, including, without limitation, any renewals, additions, substitutions or replacements thereto; or (ii) protect the interest and security interest of Lender in the Property against the rights or interests of third parties.

Borrower hereby appoints Lender as its attorney-in-fact, coupled with an interest, to take the above actions and to perform such obligations on behalf of Borrower, at Borrower's sole expense, if Borrower fails to comply with this Paragraph 4.13.

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5. CASUALTIES AND TAKINGS.

5.1 *Notice to Lender.* In the case of any act or occurrence of any kind or nature which results in damage, loss or destruction to the Property ("Casualty"), or commencement of any proceedings or actions which might result in a condemnation or other taking for public or private use of the Property or which relates to injury, damage, benefit or betterment thereto ("Taking"), Borrower shall immediately notify Lender describing the nature and the extent of the Taking or the Casualty, as the case may be. Borrower shall promptly furnish to Lender copies of all notices, pleadings, determinations and other papers in any such proceedings or negotiations.

5.2 *Repair and Replacement.* In case of a Casualty or Taking, Borrower shall promptly (at Borrower's sole cost and expense and regardless of whether the Insurance Proceeds or the Taking Proceeds, if any, shall be sufficient or made available by Lender for the purpose) restore, repair, replace and rebuild the Property as nearly as possible to its quality, utility, value, condition, and character immediately prior to the Casualty or the Taking, as the case may be. However, upon a Casualty or Taking resulting in a restoration cost that exceeds 25% of the then replacement value of the improvements or a Taking of more than 25% of the area of the Land, and application by Lender of the Insurance Proceeds or the Taking Proceeds to reduction of the Secured Debt in accordance with this Indenture, Borrower shall be obligated only to remove any debris from the Property and take such actions as are necessary to make the undamaged or non-taken portion of the Property into a functional economic unit insofar as it is possible under the circumstances.

5.3 *Insurance Proceeds and Taking Proceeds.*

(a) *Collection.* Borrower shall use its best efforts to collect the maximum amount of insurance proceeds payable on account of any Casualty ("Insurance Proceeds"), and the maximum award, payment or compensation payable on account of any Taking ("Taking Proceeds"). In the case of a Casualty, Lender may, in its sole unfettered discretion, make proof of loss to the insurer, if not made promptly by Borrower. Borrower shall not settle or otherwise compromise any claim for Insurance Proceeds or Taking Proceeds without Lender's prior written consent.

(b) *Assignment to Lender.* Borrower hereby assigns, sets over and transfers to Lender all Insurance Proceeds and Taking Proceeds and authorizes payment of such Insurance Proceeds and Taking Proceeds to be made directly to Lender. Lender shall apply the Insurance Proceeds and Taking Proceeds first to pay all expenses incurred by Lender in connection with the Casualty or Taking, including, without limitation, attorney's fees and title fees. Unless Paragraph 5.4 regarding Insurance Proceeds applies, Lender may, in its sole unfettered discretion, apply the balance of such Insurance Proceeds or Taking Proceeds ("Net Proceeds") to either of the following, or any combination thereof:

(i) payment of the Secured Debt, either in whole or in part, in any order determined by Lender in its sole unfettered discretion; or

(ii) repair or replacement, either partly or entirely, of any part of the Property so destroyed, damaged or taken, in which case Lender may impose such terms, conditions and requirements for the disbursement of the Insurance Proceeds or the Taking Proceeds as it, in its sole unfettered discretion, deems advisable. Lender shall not be a trustee with respect to any Insurance Proceeds or Taking Proceeds,

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and may commingle Insurance Proceeds or Taking Proceeds with its funds without obligation to pay interest thereon.

If any portion of the Secured Debt shall thereafter be unpaid, Borrower shall not be excused from the payment thereof in accordance with the terms of the Loan Documents. Lender shall not, in any event or circumstance, be liable or responsible for failure to collect or exercise diligence in the collection of any Insurance Proceeds or Taking Proceeds.

- 5.4 *Disbursement of Insurance Proceeds to Borrower.* Lender will disburse the Insurance Proceeds to Borrower provided: (i) there exists no Event of Default or occurrence or facts which with the passage of time, the giving of notice, or both, will be an Event of Default which remains uncured at any time before or during the Restoration; (ii) the Casualty does not occur within nine months of the Maturity Date; and (iii) the conditions in this Paragraph 5.4 are satisfied.

As to any loss or damage which Lender estimates can be repaired for less than 1/2 of 1% of the then Secured Debt, Lender shall disburse to Borrower from the Net Proceeds the amount which it determines is necessary to repair the damage, which amounts shall be used by Borrower to restore the damage to the Property caused by the Casualty.

As to all other Casualties, Lender shall disburse the Net Proceeds related thereto to Borrower on the following terms and conditions:

- (a) Prior to the first and each subsequent disbursement, Borrower shall give proof satisfactory to Lender that:
- (i) Lender is holding a fund comprised of the Net Proceeds and, if necessary, additional deposits made by Borrower or tenants of the Property, sufficient to restore the Property to its condition and use immediately prior to such loss or damage ("Restoration"), together with a fund comprised of Net Proceeds or funds deposited by Borrower, sufficient to pay operating expenses, Property Taxes and Charges, the Monthly Payments (as defined in the Note) and other so-called "carrying costs" of the Property during the period of Restoration;
 - (ii) there are no Laws preventing Restoration of the Property;
 - (iii) immediately after Restoration, the Leases on the Property will produce sufficient income to provide a debt coverage ratio of at least 1:1.10. The debt coverage ratio shall be calculated by dividing the operating income (less operating expenses and Property Taxes and Charges) obtained from the Leases during the twelve month period immediately after the Restoration by the total principal and interest payments due on all indebtedness secured by the Property during the same period;
 - (iv) the Restoration will be conducted under the supervision of an architect, engineer and/or a general contractor selected by and paid by Borrower and approved by Lender;
 - (v) the Restoration will be performed pursuant to plans and specifications approved by Lender and by a contractor or contractors approved by Lender; and
 - (vi) the Property, after such Restoration, shall be in compliance with Laws.
- (b) With respect to each disbursement and accompanying each request therefor, there shall be delivered to Lender:

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- (i) a certificate addressed to Lender and executed by Borrower and by the architect, engineer or general contractor supervising the Restoration that such disbursement is to pay for costs of the Restoration not paid previously by any other prior disbursement, that the amount of such disbursement does not exceed the aggregate of such costs incurred or paid on account of work, labor or services performed and materials installed in or stored upon the Property at the date of such certificate and that the disbursement requested, together with the disbursements made prior thereto, collectively, as a percentage of the total Net Proceeds, do not exceed the percentage of completion of the Restoration; and
- (ii) an endorsement to Lender's title insurance policy, in which the making of the disbursement is recognized and the effective date of coverage is changed to the date of disbursement.
- (c) Each disbursement shall be in the amount not greater than 90% of the costs described in the certificate referred to in Paragraph 5.4(b)(i) hereof. Disbursement of the final balance of the Net Proceeds, constituting not less than ten percent (10%) thereof, shall be disbursed only upon delivery to Lender of the following, in addition to the foregoing:
- (i) evidence satisfactory to Lender that all claims then existing for labor, services and materials enforceable by lien upon the Property have been paid in full or provision acceptable to Lender has been made therefor;
- (ii) a certificate of such architect, engineer or general contractor that the Restoration of the Property has been completed in a good workmanlike manner and in accordance with all Laws;
- (iii) an estoppel affidavit in form satisfactory to Lender from each tenant occupying or leasing space in the Property affected by the Casualty; and
- (iv) an as-built survey of the Improvements certified to Lender and in form satisfactory to Lender.
- (d) Borrower shall complete the Restoration within 270 days of the Casualty subject to delay beyond Borrower's control other than lack of funds. If Borrower does not complete the Restoration within such time, Lender, at its option, may restore the Property for and on Borrower's behalf and may do any act or thing as Lender deems necessary or appropriate to that end and the expenses of Restoration in excess of Net Proceeds shall be borne by Borrower.
- (e) If the quality of the Restoration is at least equal to the quality of the Improvements before the Casualty, any Net Proceeds in excess of the amount used in payment of the Restoration shall be distributed to Borrower.

Lender shall not be a trustee with respect to any Insurance Proceeds, and may mingle Insurance Proceeds with its funds without obligation to pay interest thereon. Lender shall in no event be liable for the performance or observance of any covenant or condition arising under any Lease in connection with the Property nor obligated to take any action to restore the Property.

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7. **LEGAL PROCEEDINGS.** Whether or not an Event of Default (as defined in Paragraph 8.1) has occurred and exists, Lender shall have the right, but not the duty or obligation, to intervene or otherwise participate in, prosecute or defend at any time any legal or equitable proceedings including, without limitation, any eminent domain proceedings which affect the Property, the Leases or any of the rights created by the Loan Documents, but only after notice to Borrower and if permitted by Law.

8. **DEFAULTS; REMEDIES OF LENDER.**

8.1 **Events of Default.** Any of the following shall constitute an "Event of Default" hereunder:

- (a) **Breach of Named Covenants.** Any breach by Borrower of the covenants in Paragraph 4.1(a) (Secured Debt), Paragraph 4.2(f) (Clean-Up) or Paragraph 4.3 (Insurance).
- (b) **Breach of Other Covenants.** Any breach by Borrower of any other covenant, agreement, condition, term or provision of any of the Loan Documents or any certificate or side letter delivered in connection with the Loan Documents, which continues for 30 days after written notice thereof by Lender to Borrower.
- (c) **Misrepresentations.** Any representation or warranty made by Borrower in the Loan Documents or any certificate or side letter delivered in connection with the Loan Documents proves to be untrue, misleading or is not fulfilled, in any material way.
- (d) **Bankruptcy.** Immediately upon the occurrence of any of the following: (i) any one or more of the then legal or beneficial owners of the Property, or any individual or entity then personally liable on the Secured Debt (including, without limitation, any guarantor or indemnitor pursuant to any guaranty or indemnity) or, if Borrower is a partnership, any general partner or joint venturer (collectively "Parties in Interest") becomes insolvent, makes a transfer in fraud of, or an assignment for the benefit of, creditors, or admits in writing its inability, or is unable, to pay debts as they become due; or (ii) a receiver, custodian, liquidator or trustee is appointed for all or substantially all of the assets of a Party in Interest or for the Property in any proceeding brought by a Party in Interest, or any such receiver or trustee is appointed in any proceeding brought against a Party in Interest or the Property and such appointment is not promptly contested or is not dismissed or discharged within 120 days after such appointment, or a Party in Interest consents or acquiesces in such appointment; or (iii) a Party in Interest files a petition under the Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof; or (iv) a petition against a Party in Interest is filed commencing an involuntary case under any present or future Federal or state bankruptcy or similar law and such petition is not dismissed or discharged within 120 days after the filing thereof; or (v) any composition, rearrangement, liquidation, extension, reorganization or other relief of debtors now or hereafter existing is requested by a Party in Interest.
- (e) **Adverse Court Action.** A court of competent jurisdiction enters a stay order with respect to, assumes custody of or sequesters all or a substantial part of the Property or the Property is taken on execution or by other process of law.

8.2 **Remedies.** In case of an Event of Default, Lender may, at any time thereafter, at its option, without notice, and without bringing any legal action or proceeding unless expressly required by law, exercise any or all of the following remedies:

- (a) **Acceleration.** Declare the entire Secured Debt due and payable, and it shall thereupon be immediately due and payable.

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- (b) **Foreclosure.** Foreclose this Indenture by instituting a foreclosure suit in any court having jurisdiction.
- (c) **Offset Rights.** Apply in satisfaction of the Secured Debt or any amount at any time to become due or payable in connection with the ownership occupancy, use, restoration or repair of the Property, any deposits or other sums credited by or due from Lender to Borrower, including without limitation, Insurance Proceeds, Taking Proceeds and funds held in the escrow account referred to in Paragraph 4.1(c).
- (d) **Cure Rights.** Whether or not an Event of Default has occurred without releasing Borrower from any obligation hereunder or under the Loan Documents, perform any of Borrower's obligations. In connection therewith, Lender may enter upon the Property and do such acts and things as Lender deems necessary or desirable to protect the Property or the Leases, including, without limitation: (i) paying, purchasing, contesting or compromising any encumbrance (including, without limitation, any junior debt outstanding), charge, lien, claim of lien, Property Taxes and Charges or Property Liabilities; (ii) paying any Insurance Premiums; (iii) employing counsel, accountants, contractors and other persons to assist Lender in the foregoing; and (iv) undertaking the Clean-Up of any Contamination.
- (e) **Possession of Property.** Take physical possession of the Property and of all books, records, and documents and accounts relating thereto and exercise, without interference from Borrower, any and all rights which Borrower has with respect to the Property, including, without limitation, the right at Borrower's expense to rent and lease the Property, to hire a professional property manager for the Property, to Clean-Up any Contamination and to make from time to time all alterations, renovations, repairs and replacements to the Property as may seem proper to Lender. Nothing in this Paragraph 8.2 shall impose any duty, obligation or responsibility upon Lender for the control, care, management, repair or Clean-Up of the Property, if necessary to obtain possession as provided for above, Lender may, without exposure to liability from Borrower or other persons, invoke any and all legal remedies to dispossess Borrower, including, without limitation, one or more actions for forcible entry and detainer, trespass and restitution.
- (f) **Remedies under State Law.** Take such actions as are set forth, described or referred to in Exhibit B of this Indenture or otherwise permitted by Laws.
- (g) **Receiver.** Secure the appointment of a receiver or receivers, as a matter of right for the Property whether such receivership be incident to a proposed sale of such Property or otherwise, and without regard to the value of the Property or the solvency of Borrower. Borrower hereby consents to the appointment of such receiver or receivers, waives any and all defenses to such appointment and agrees not to oppose any application therefor by Lender. The appointment of such receiver, trustee or other appointee by virtue of any court order or Laws shall not impair or in any manner prejudice the rights of Lender to receive payment of the rents and income pursuant to the Lease Assignment.
- (h) **Uniform Commercial Code Remedies.** Exercise any and all rights of a secured party with respect to the Personalty under the Uniform Commercial Code of the State and in conjunction with, in addition to or in substitution for, those rights and remedies:
- (i) take possession of, assemble and collect the Personalty or render it unusable by Borrower; and

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- (ii) require Borrower to assemble the Personalty and make it available at any place Lender may designate so as to allow Lender to take possession of or dispose of the Personalty.

Written notice mailed to Borrower, as provided herein, 15 days prior to the date of public sale of the Personalty or prior to the date after which private sale of the Personalty will be made, shall constitute reasonable notice. Any sale made pursuant to the provisions of this Paragraph 8.2(h) shall be deemed to have been a public sale conducted in a commercially reasonable manner, if held contemporaneously with the sale of the Property as provided in Paragraph 8.2(k) of this Indenture. In the event of a foreclosure sale, whether made by Lender under the terms hereof, or under judgment of a court, the Personalty and the other parts of the Property may, at the option of Lender, be sold in parts or as a whole. It shall not be necessary that Lender take possession of the Personalty prior to the time that any sale pursuant to the provisions of this Paragraph 8.2(h) is conducted and it shall not be necessary that the Personalty be present at the location of such sale.

A CARBON, PHOTOGRAPHIC OR OTHER REPRODUCTION OF THIS INDENTURE OR ANY FINANCING STATEMENT RELATING TO THIS INDENTURE SHALL BE SUFFICIENT AS A FINANCING STATEMENT. THIS INDENTURE IS EFFECTIVE AND SHALL BE EFFECTIVE AS A FINANCING STATEMENT FILED AS A FIXTURE FILING WITH RESPECT TO ALL GOODS WHICH ARE OR ARE TO BECOME FIXTURES INCLUDED WITHIN THE PROPERTY AND IS TO BE FILED FOR RECORD IN THE REAL ESTATE RECORDS OF THE LOCATION IN THE STATE WHERE THE PROPERTY IS SITUATED. THE MAILING ADDRESS OF LENDER AND THE ADDRESS OF BORROWER FROM WHICH INFORMATION CONCERNING THE SECURITY INTEREST MAY BE OBTAINED, ARE SET FORTH ON THE COVER SHEET HEREOF.

- (i) *Judicial Actions.* Commence and maintain an action or actions in any court of competent jurisdiction to foreclose this Indenture pursuant to the Laws of the State or to obtain specific enforcement of the covenants of Borrower hereunder. Borrower agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy.
- (j) *Subrogation.* Have and exercise all rights and remedies of any person, entity or body politic to whom Lender renders payment or performance in connection with the exercise of its rights and remedies under the Loan Documents, including, without limitation, any rights or remedies under any mechanic's or vendor's lien or liens, superior titles, mortgages, deeds of trust liens encumbrances, rights, equities and charges of all kinds heretofore or hereafter existing on the Property to the extent that the same are paid or discharged from the proceeds of the Note whether or not released of record.
- (k) *Sale.* Sell the Property in accordance with Laws.
- (l) *Other.* Take such other actions or commence such other proceedings as Lender deems necessary or advisable to protect its interest in the Property and its ability to collect the Secured Debt as are available under Laws.

Any sums advanced by Lender under this Paragraph 8.2 shall bear interest at the lesser of (a) the interest rate specified in the Note plus 2% or (b) the maximum nonusurious interest rate permitted by applicable law, and shall be payable by Borrower on demand. Such sums together with such interest shall constitute a part of the Secured Debt.

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All sums realized by Lender under this Paragraph 8.2, less all costs and expenses incurred by Lender under this Paragraph 8.2, including, without limitation, reasonable attorneys fees and disbursements, property management fees, costs of title commitments, inspections, environmental site assessments and testing, engineering reports, alterations, renovations, repairs and replacements made or authorized by Lender and all expenses incident to Lender taking possession of the Property, and such sums as Lender deems appropriate as a reserve to meet future expenses of the Property, shall be applied to the Secured Debt in such order as Lender shall determine. Thereafter, any balance shall be paid to the person or persons legally entitled thereto.

8.3 Holding Over. Should Borrower, after Lender has obtained title to the Property, continue in possession of any part of the Property, either lawfully or unlawfully, Borrower shall be a tenant from day to day, terminable at the will of either Borrower or Lender, at a reasonable rental per month, such rental to be due and payable daily to Lender.

8.4 General Provisions.

(a) **Multiple Sales.** Several sales may be made pursuant to Paragraph 8.2 exhausting Lender's right to such remedy for any unsatisfied part of the Secured Debt and without exhausting the power to exercise such remedy for any other part of the Secured Debt, whether matured at the time or subsequently maturing. If a part of the Property is sold pursuant to Paragraph 8.2, and the proceeds thereof do not fully pay and satisfy the Secured Debt, such sale, if so made, shall not in any manner affect the unpaid and unsatisfied part of the Secured Debt, but as to such unpaid and unsatisfied part, the Loan Documents shall remain in full force and effect as though no such sale had been made.

(b) **Cumulative Remedies.** All of the rights, remedies and options set forth in Paragraph 8.2 or otherwise available at law or in equity, are cumulative and may be exercised without regard to the adequacy of or exclusion of any other right, remedy, option or security held by Lender.

(c) **Right to Purchase.** At any sale of the Property pursuant to Paragraph 8.2, Lender shall have the right to purchase the Property being sold, and in such case the right to credit against the amount of the bid made therefor (to the extent necessary all or any of the Secured Debt then due.

(d) **Right to Terminate Proceedings.** Lender may, in its sole unfettered discretion, at any time before conclusion of any proceeding or other action brought in connection with its exercise of the remedies provided for in Paragraph 8.2, terminate, without prejudice to Lender, such proceedings or actions.

(e) **No Waiver or Release.** Lender may resort to any remedies and the security given by the Loan Documents in whole or in part, and in such portions and in such order as may seem best to Lender in its sole unfettered discretion, and any such action shall not in any way be considered as a waiver of any of the rights, benefits or remedies evidenced by the Loan Documents. The failure of Lender to exercise any right, remedy or option provided for in the Loan Documents shall not be deemed to be a waiver of any of the covenants or obligations secured by the Loan Documents. No sale of all or any of the Property, no forbearance on the part of Lender and no extension of the time for the payment of the whole or any part of the Secured Debt or any other indulgence given by Lender to Borrower or any other person or entity, shall operate to release or in any manner affect Lender's interest in the Property, or the liability of Borrower to

* (or any other person, including Borrower's beneficiary, claiming, by, through or under Borrower)

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pay the Secured Debt, except to the extent that such liability shall be reduced by proceeds of sale of all or any of the Property received by Lender.

(f) *Waivers and Agreements Regarding Remedies.* To the full extent Borrower may do so and with respect to Lender's exercise of its remedies hereunder, Borrower hereby:

(i) agrees that Borrower will not at any time insist upon, plead, claim or take the benefit or advantage of any Laws now or hereafter in force providing for any appraisal or appraisement, valuation, stay, extension or redemption, and waives and releases all rights of redemption, valuation, appraisal or appraisement, stay of execution, extension and notice of election to mature or declare due the whole of the Secured Debt;

(ii) waives all rights to marshalling of the assets of Borrower, Borrower's partners and others with interests in Borrower, including the Property, or to a sale in inverse order of alienation in the event of foreclosure of the interests hereby created, and agrees not to assert any right under any Laws pertaining to the marshalling of assets, the sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatsoever to defeat, reduce or affect the right of Lender under the terms of the Loan Documents to sale of the Property for the collection of the Secured Debt without any prior or different resort for collection, or the right of Lender to the payment of the Secured Debt out of the proceeds or sale of the Property in preference to every other claimant whatsoever;

(iii) waives any right to bring or utilize any defense, counterclaim or setoff, other than one in good faith which denies the existence or sufficiency of the facts upon which the foreclosure action is grounded or which is based on Lender's wrongful actions. If any defense, counterclaim or setoff (other than one permitted by the preceding sentence) is timely raised in such foreclosure action, such defense, counterclaim or setoff shall be dismissed. If such defense, counterclaim or setoff is based on a claim which could be tried in an action for money damages, the foregoing waiver shall not bar a separate action for such damages (unless such claim is required by Laws or applicable rules of procedure to be pleaded in or consolidated with the action initiated by Lender) but such separate action shall not thereafter be consolidated with Lender's foreclosure action. The bringing of such separate action for money damages shall not be deemed to afford any grounds for staying Lender's foreclosure action;

(iv) waives and relinquishes any and all rights and remedies which Borrower may have or be able to assert by reason of the provisions of any Laws pertaining to the rights and remedies of sureties; and

(v) waives the defense of laches and any applicable statutes of limitation.

(g) *Lender's Discretion.* Unless specifically stated otherwise, Lender may exercise its options and remedies under any of the Loan Documents in its sole unfettered discretion.

(h) *Sales.* In the event of the sale or other disposition of the Property pursuant to Paragraph 8.2 and the execution of a deed or other conveyance pursuant thereto, the recitals therein of facts (such as default, the giving of notice of default and notice of sale, demand that such sale should be made, postponement of sale, terms of sale, sale, purchase, payment of purchase money and other facts affecting the regularity or

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validity of such sale or disposition) shall be conclusive proof of the truth of such facts. Any such deed or conveyance shall be conclusive against all persons as to such facts recited therein.

The acknowledgment of the receipt of the purchase money, contained in any deed or conveyance executed as aforesaid, shall be sufficient to discharge the grantee of all obligations to see to the proper application of the consideration therefor as herein provided. The purchaser at any trustee's or foreclosure sale hereunder may disaffirm any easement granted or rental agreement or Lease made in violation of any provision of the Loan Documents, and may take immediate possession of the Property free from, and despite the terms of, such grant of easement, rental agreement or Lease.

9. POSSESSION AND DEFEASANCE.

9.1 *Possession.* Until the occurrence of an Event of Default and except as otherwise expressly provided to the contrary, Borrower shall retain full possession of the Property with full right to use the Property and to collect the rents, issues and profits therefrom, subject, however, to all of the terms and provisions of the Loan Documents.

9.2 *Defeasance.* If the Secured Debt is paid in full and if all of the covenants, warranties, conditions, undertakings and agreements made in the Loan Documents are kept and performed, then, in that event only, all rights under the Loan Documents shall terminate and the Property shall become wholly clear of the liens, grants, security interests, conveyances and assignments evidenced hereby, and Lender shall release or cause to be released, such liens, grants, assignments, conveyances and security interests in due form at Borrower's cost, and this Indenture shall be void.

Recitals of any matters or facts in any instrument executed hereunder shall be conclusive proof of the truthfulness thereof. To the extent permitted by Laws such an instrument may describe the grantee as "the person or persons legally entitled thereto." Lender shall not have any duty to determine the rights of persons claiming to be rightful grantees of any of the Property. When the Property has been fully released, such release shall operate as a reassignment of all future rents, issues and profits of the Property to the person or persons legally entitled thereto, unless such release expressly provides to the contrary.

Notwithstanding the foregoing, Borrower's obligation under Paragraph 4.6(c) hereof (environmental indemnity) shall not terminate and shall survive the discharge of the Loan Documents, whether through full payment of the Secured Debt, foreclosure, deed in lieu of foreclosure or otherwise, for the benefit of Lender and its successors and assigns, including without limitation, any purchaser at a foreclosure sale.

10. GENERAL.

10.1 *Lender's Right to Waive, Consent or Release.* Lender may at any time and from time to time, in writing: (a) waive compliance by Borrower with any covenant herein made by Borrower to the extent and in the manner specified in such writing; (b) consent to Borrower doing any act which Borrower is prohibited hereunder from doing, or consent to Borrower's failing to do any act which Borrower is required hereunder to do, to the extent and in the manner specified in such writing; or (c) release any part of the Property, or any interest therein from this Indenture and the lien of the Loan Documents. No such act shall in any way impair the rights hereunder of Lender except to the extent specifically agreed to by Lender in such writing.

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10.2 *No Impairment.* The interests and rights of Lender under the Loan Documents shall not be impaired by any indulgence, including, without limitation: (a) any renewal, extension or modification which Lender may grant with respect to any of the Secured Debt; (b) any surrender, compromise, release, renewal, extension, exchange or substitution which Lender may grant in respect of the Property or any interest therein; or (c) any release or indulgence granted to any maker, endorser, guarantor or surety of any of the Secured Debt.

10.3 *Amendments.* The Loan Documents may not be waived, changed or discharged orally, but only by an agreement in writing and signed by Lender, and any oral waiver, change or discharge of any provision of the Loan Documents shall be without authority and of no force and effect. Any waiver, change or discharge shall be effective only in the specific instances and for the purposes for which given and to the extent therein specified.

10.4 *No Usury.* Any provision contained in any of the Loan Documents notwithstanding, Lender shall not be entitled to receive or collect, nor shall Borrower be obligated to pay interest on any of the Secured Debt in excess of the maximum rate of interest permitted by Laws, and if any provisions of the Loan Documents shall ever be construed or held to permit the collection or to require the payment of any amount of interest in excess of that permitted by such Laws, the provisions of this Paragraph 10.4 shall control unless contrary or inconsistent with any provisions of the Note, in which case the provisions of the Note shall control. Borrower and Lender intend to conform strictly to the usury Laws now in force, and the Loan Documents evidencing or relating to any of the Secured Debt shall be held subject to modification to conform to said Laws as now or hereafter construed.

10.5 *Notices.* Any notice, request, demand or other communication required or permitted under the Loan Documents (unless otherwise expressly provided therein) shall be given in writing by delivering the same in person to the intended addressee, by overnight courier service with guaranteed next day delivery or by certified United States Mail postage prepaid or by telegram sent to the intended addressee at the applicable Notice Address or to such different address as either Borrower or Lender shall have designated by written notice to the other sent in accordance herewith. Such notices shall be deemed given when received or, if earlier, in the case of delivery by courier service with guaranteed next day delivery, the next day or the day designated for delivery, or in the case of delivery by certified United States Mail, 2 days after deposit therein. No notice to or demand on Borrower in any case shall of itself entitle Borrower to any other or further notice or demand in similar or other circumstances.

10.6 *Successors and Assigns.* The terms, provisions, covenants and conditions hereof shall be binding upon Borrower, and any permitted successors and assigns of Borrower, and shall inure to the benefit of Lender and its successors, substitutes and assigns, and shall constitute covenants running with the Land. All references in this Indenture to Borrower or Lender shall be deemed to include all such successors, substitutes and assigns.

If in contravention of the provisions of this Indenture or otherwise, ownership of the Property or any portion thereof becomes vested in a person other than Borrower, Lender may, without notice to the Borrower, whether or not Lender has given written consent to such change in ownership, deal with such successor or successors in interest with reference to the Loan Documents and the Secured Debt in the same manner as with Borrower, without in any way vitiating or discharging Lender's remedies or Borrower's liability under the Loan Documents or on the Secured Debt.

10.7 *Severability.* A determination that any provision of the Loan Documents is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any

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determination that the application of any provision of the Loan Documents to any person or circumstances is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

- 10.8 *Gender and Construction.* Within this Indenture, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires. References in this Indenture to "herein", "hereunder" or "hereby" shall refer to this entire Indenture, unless the context otherwise requires. When the phrase "in its sole unfettered discretion" is used in the Loan Documents with respect to Lender, it shall permit Lender to evaluate such criteria (without allowance for reasonableness) as it chooses in approving or disapproving the requested or pending action.
- 10.9 *Joint and Several Liability.* If Borrower is composed of more than one party, the obligations, covenants, agreements, representations and warranties contained in the Loan Documents, as well as the obligations arising thereunder, are and shall be joint and several as to each such party.
- 10.10 *Delegation by Borrower.* Borrower may delegate performance of any of Borrower's covenants and obligations under the Loan Documents provided Borrower remains primarily liable for the performance of such obligations and covenants.
- 10.11 *Modifications.* References to any of the Loan Documents in this Indenture shall include all amendments, modifications, extensions and renewals thereof.
- 10.12 *Governing Law.* This Indenture shall be construed according to and governed by the laws of the State.
- 10.13 *Captions.* All paragraph and subparagraph captions are for convenience of reference only and shall not affect the construction of any provision herein.
- 10.14 *Nonrecourse.* Borrower shall be liable upon the indebtedness evidenced by the Note, for all sums to accrue or to become payable thereon and for performance of all covenants contained in the Note or in any of the other Loan Documents, to the extent, but only to the extent, of Lender's security for the same, including, without limitation, all properties, rights, estates and interests covered by the Indenture and the other Loan Documents. No attachment, execution or other writ or process shall be sought, issued or levied upon any assets, properties or funds of Borrower other than the properties, rights, estates and interests described in this Indenture and the other Loan Documents. In the event of foreclosure of such liens, mortgages or security interests, by private power of sale or otherwise, no judgment for any deficiency upon such indebtedness, sums and amounts shall be sought or obtained by Lender against Borrower. Subject to the foregoing, nothing herein contained shall be construed to prevent the Lender from exercising and enforcing any other remedy relating to the Property allowed at law or in equity or by any statute or by the terms of any of the Loan Documents.

Notwithstanding the foregoing, Borrower shall be personally liable to Lender for:

- (a) any damages, losses, liabilities, costs or expenses (including, without limitation, attorney's fees) incurred by Lender due to: (i) an Event of Default under Paragraph 8.1(c) (misrepresentations); (ii) an event or circumstance for which Borrower indemnifies Lender under Paragraph 4.6(c) (environmental indemnity); (iii) Borrower's failure to maintain the insurance for the Property as required under Paragraph 4.3; (iv) tenant security deposits; (v) deductibles under insurance policies permitted in

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Paragraph 4.3; (vi) any fraud by Borrower; (vii) a forfeiture of the Property under any Laws; and

(b) all rents, issues and profits from the Property collected by Borrower after an Event of Default has occurred and is continuing or after an event or circumstance has occurred and is continuing that with the passage of time, the giving of notice, or both, would constitute an Event of Default, unless such rents, issues and profits are applied to the normal operating expenses of the Property or to the Secured Debt.

Lender shall not be limited in any way in enforcing the personal liability and obligations of the Borrower under the Loan Documents against Borrower, nor shall Lender be limited in any way in enforcing the personal liability and obligations of any guarantor or indemnitor in accordance with the terms of the instruments creating such liabilities and obligations.

10.15 *Acknowledgment of Receipt.* Borrower hereby acknowledges receipt, without charge, of a true and complete copy of this Indenture.

10.16 *Exhibits.* The following are the Exhibits referred to in this Indenture, which are hereby incorporated by reference herein:

Exhibit A - Property Description

Exhibit B - Applicable State Law Provisions

IN WITNESS WHEREOF, this Indenture has been executed and delivered under seal as of the date first above written, by Borrower, not personally but as Trustee as aforesaid.

NBD BANK, SUCCESSOR TRUSTEE TO
NBD TRUST COMPANY OF ILLINOIS
NBD Elk Grove Bank, as trustee under Trust
No. 2370 dated February 26, 1985

By: _____
Its: _____

ATTEST:

(Assistant) Secretary

EXONERATION PROVISION RESTRICTING
ANY LIABILITY OF NBD BANK ATTACHED
HEREIN IS HEREBY EXPRESSLY MADE A
PART HEREOF.

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NEW ENGLAND MUTUAL LIFE INSURANCE
COMPANY, a Massachusetts corporation

(1286) By: Mary Ann Phelan
Its: INVESTMENT OFFICER

COOK COUNTY, ILLINOIS
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COMMONWEALTH OF MASSACHUSETTS
STATE OF ILLINOIS

COUNTY OF SUFFOLK) ss.

I, Barbara E. Duncan, a Notary Public in and for the County and State aforesaid, do hereby certify that Mary Anne Johnston, the Investment Officer of New England Mutual Life Insurance Company ("TNE") personally known to me to be the same person whose name is subscribed to in the foregoing instrument as the Investment Officer of New England Mutual Life Insurance Company, appeared before me this day in person and severally acknowledged that she signed the foregoing instrument as her own free and voluntary act and the free and voluntary act of TNE for the uses and purposes therein set forth.

Given under my hand and notarial seal this 3rd day of February, 1994.

Barbara E. Duncan
Notary Public

My Commission Expires: BARBARA E. DUNCAN
NOTARY PUBLIC
Commonwealth of Massachusetts
My Commission Expires June 16, 2000

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LEGAL DESCRIPTION

LOT 50 IN WOODFIELD BUSINESS CENTER UNIT 18, BEING A
RESUBDIVISION OF PART OF LOT 3 IN WOODFIELD BUSINESS CENTER,
BEING A SUBDIVISION OF PART OF THE SOUTH WEST 1/4 OF SECTION 11,
TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN,
IN COOK COUNTY, ILLINOIS.

PIN: 07-11-303-008
07-11-303-012

500 East Remington Road
Schaumburg, Illinois

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EXHIBIT B

Applicable State Law Provisions

B-1. Waiver. Without limiting the provisions of Section 8.4(f) hereof, Borrower hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Indenture on Borrower's own behalf and on behalf of each and every person acquiring any interest in or title to the Property or beneficial interest in Borrower subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Borrower 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, Para. 12-124, Para. 12-125 and Para. 15-1601 of the Illinois Revised Statutes or other applicable law or replacement statutes. To the extent permitted by law, Borrower hereby agrees that it shall not and will not apply for or avail itself of any appraisement, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Indenture, but hereby waives the benefit of such laws. Borrower for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. Borrower acknowledges that the Property does not constitute agricultural real estate, as said term is defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law, as amended from time to time and any other applicable law or replacements statutes (the "Act") or residential real estate as defined in Section 15-1219 of the Act.

B-2. Business Loan. The loan evidenced by the Note and secured hereby is a business loan within the purview of Section 6404 of Chapter 17 of Illinois Revised Statutes (or any substitute, amended, or replacement statutes) transacted solely for the purpose of carrying on or acquiring the business of the Borrower or, if the Borrower is a trustee, for the purpose of carrying on or acquiring the business of the beneficiaries of the Borrower, as contemplated by said Section.

B-3. Security Agreement and Financing Statements. Borrower, Lender and Beneficiaries agree: (i) that this Indenture shall constitute a Security Agreement within the meaning of the Uniform Commercial Code of Illinois (the "Code") with respect to all sums on deposit with the Lender pursuant to Paragraphs 4.1(c), 4.1(h) and 6 hereof ("Deposits") and with respect to any property included in the definition herein of the word "Property," which property may not be deemed to form a part of the real estate

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described in Exhibit A or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code), and all replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof (said property, replacements, substitutions, additions and the proceeds thereof being sometimes herein collectively referred to as the "Collateral"); and (ii) that a security interest in and to the Collateral and the Deposits is hereby granted to the Lender; and (iii) that the Deposits and all of Borrower's and Beneficiaries' right, title and interest therein are hereby assigned to the Lender; all to secure payment of the indebtedness and to secure performance by the Borrower of the terms, covenants and provisions hereof.

Borrower, Beneficiaries and Lender agree, to the extent permitted by law, that: (i) all of the goods described within the definition of the word "Property" herein are or are to become fixtures on the land described in Exhibit A; (ii) this instrument, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of Sections 9-313 and 9-402 of the Code; and (iii) Borrower is the record owner of the land described in Exhibit A. The addresses of Borrower and Lender are set forth on page one hereof.

B-4. Additional Powers of Receiver. Any receiver appointed pursuant to the provisions of the Indenture shall have all powers and duties prescribed by law, including the power to make leases to be binding upon all parties, including the Borrower after redemption, the purchaser at a sale pursuant to a judgment of foreclosure and any person acquiring an interest in the Property after entry of a judgment of foreclosure, all as provided in Subsection (g) of Section 15-1701 of the act. In addition, such receiver shall also have the following powers: (a) to extend or modify any then existing leases, which extensions and modifications may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Borrower and all persons whose interests in the Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption, discharge of the mortgage indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser; and (b) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Property during the whole of the period of receivership.

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