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7/26/95

THIS INSTRUMENT PREPARED
BY AND PLEASE RETURN TO:
DAVID H. ADDIS
100 WEST MONROE STREET
CHICAGO, ILLINOIS 60603

95508639

FIRST AMERICAN TITLE INSURANCE #

CP 84080 18212

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DEPT-11 TORRENS 677.50
140013 TRAH 25:15 08/02/95 13:28:00
46735 & RCP 95-508639
COOK COUNTY RECORDER

COMMONLY KNOWN AS: 830 East Golf Road, Schaumburg, IL

P.I.N.: 07-11-400-009

REAL ESTATE MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND UCC FINANCING STATEMENT

THIS INSTRUMENT ("Mortgage") is made and delivered by American National Bank and Trust Company of Chicago, not individually, but solely as Trustee, under Trust Agreement dated September 1, 1983 and known as its Trust No. 59115 ("Trustee"), Trustee is herein referred to as "Mortgagor") to Comerica Bank-Illinois (together with its successors and assigns, called the "Mortgagee").

A. WHEREAS, on February 7, 1995, Mortgagee issued to Mortgagor's beneficiary a commitment letter which was accepted on February 16, 1995 (the "Commitment") and

B. WHEREAS, concurrently herewith Mortgagor and Mortgagee's beneficiary and Mortgagee have executed and delivered to each other an agreement entitled Financing and Reimbursement Agreement ("Loan Agreement"); and

C. WHEREAS, pursuant to the Commitment and the Loan Agreement Bank has committed to make loans of money in the amount of \$3,750,000 ("Loan") to and on behalf of Mortgagor and to issue a letter of credit in the principal amount of \$156,602.50 ("Letter"); and

D. WHEREAS, Mortgagor has agreed to repay the Loan as set forth in a promissory note ("Note") in the principal sum of \$3,750,000, executed and delivered concurrently herewith, a copy of which is attached hereto as Exhibit A, and has agreed in the Loan Agreement to reimburse Mortgagee forthwith in the event Mortgagee is required to disburse funds pursuant to the Letter; and

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E. WHEREAS, Mortgagor and Mortgagor's beneficiary have, under the provisions of the Loan Agreement, undertaken to construct upon and improve the Real Estate as provided in the Loan Agreement, by reason of which this instrument secures a construction loan; and

F. WHEREAS, the undertakings of the Mortgagor in and the payment of the indebtedness evidenced by the Note and the reimbursement, payment and performance of all other amounts and undertakings in the Commitment, Loan Agreement and in all other instruments of an evidentiary and security nature executed in connection with the transaction underlying the execution of this Mortgage and the Note (collectively "Security Documents"), including without limitation the Non-disturbance and Attornment Agreements, Assignment of Rents and Lessor's Interest in Leases, Collateral Assignment of Beneficial Interest, Environmental Indemnity Agreement, and any and all future advances which may be made pursuant to any of the Security Documents are herein called the "Indebtedness." In no event shall the aggregate Indebtedness hereunder exceed the amount of \$20,000,000.

NOW, THEREFORE:

To secure the payment and performance of the Indebtedness and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged by Mortgagor, Mortgagor hereby CONVEYS and MORTGAGES unto Mortgagee the real estate described in Exhibit B attached hereto, and hereby grants to Mortgagee a security interest under the provisions of the Uniform Commercial Code of the State of Illinois in the fixtures and personal property mentioned in the next succeeding paragraphs hereof, which Real Estate and personal property is sometimes hereafter collectively called the "Premises."

Included within the term "Premises" are any and all equipment, personal property, improvements, tenements, buildings, structures, easements, fixtures, privileges, reservations, allowances, hereditaments, appurtenances now or hereafter thereunto belonging or pertaining, any and all rights and estates in reversion or remainder, all rights in or to adjacent sidewalks, alleys, streets and vaults, and any and all rights and interests of every name and nature now or hereafter owned by Mortgagor, forming a part of and/or used in connection with the Real Estate and/or the operation and convenience of the buildings and improvements located thereon, including (without limitation) all equipment used or useful in the operation of the Real Estate or improvements thereon or furnished by Mortgagor to tenants thereof; all building materials located at the Real Estate and intended to be incorporated in improvements now or hereafter to be constructed thereon, whether or not incorporated therein; all fixtures, apparatus, equipment or articles used to supply heating, gas, electricity, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration and ventilation, and all floor coverings, screens, storm windows, blinds, awnings and all of the rents, income, receipts, revenues, issues and profits thereof and therefrom; in each case now or hereafter placed in, on, at or from the Premises. Enumeration of any specific articles of property shall not exclude or be held to exclude any items of property not specifically enumerated.

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TO HAVE AND TO HOLD the Premises, unto Mortgagee forever, free from all rights and benefits under and by virtue of Homestead Exemption Laws (which rights and benefits are hereby expressly released and waived), for the uses and purposes herein set forth, together with all right to retain possession of the Premises after any default in the payment or performance of all or any part of the Indebtedness, or the breach of any covenant or agreement herein contained, or upon the occurrence of any Event of Default as hereinafter defined.

PROVIDED, that if all Indebtedness shall be duly and punctually paid and all terms, provisions, conditions and agreements on the part of Mortgagor to be performed or observed shall be strictly performed and observed, then this Mortgage and the estate, right and interest of Mortgagee in the Premises shall cease and be of no effect. Mortgagor may obtain release of the Real Estate upon satisfaction of the requirements set forth herein.

AND IT IS FURTHER AGREED THAT:

1. Payment of Indebtedness. Mortgagor will promptly pay the principal and interest on the Note, and pay and perform all other Indebtedness, as the same becomes due.

2. Maintenance, Repair, Restoration, Prior Liens, Parking, Etc. Mortgagor will (a) promptly construct, repair, restore, rebuild and complete any buildings on the Premises now under construction and required to be constructed pursuant to the Loan Agreement, and shall thereafter promptly construct, repair, restore and rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed whether or not proceeds of insurance are available or sufficient for the purpose (unless such proceeds are not available because Mortgagee elected to apply such proceeds to reduce the Indebtedness); (b) keep the Premises in good condition and repair, without waste, and free from mechanics', materialmen's or like liens or claims or other liens or claims for lien not expressly permitted by Mortgagee; (c) pay, when due, any indebtedness which may be secured by a lien or charge on the Premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee; (d) comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Premises and the use thereof; (e) make no material alterations in the Premises, except as required by law or municipal ordinance without Mortgagee's prior written consent; (f) pay all operating costs of the Premises; (g) not initiate nor acquiesce in any zoning reclassification with respect to the Premises, without Mortgagee's prior written consent; and (h) provide, improve, grade, surface and thereafter maintain, clean and repair any sidewalks, aisles, streets, driveways and sidewalk cuts and paved areas for parking, and for ingress, egress and right-of-way to and from the adjacent public thoroughfares necessary or desirable for the use thereof; and reserve and use all such areas solely and exclusively for the purpose of providing parking, ingress and egress for tenants or invitees of tenants of the Premises; and Mortgagor will not reduce, build upon, obstruct, redesignate or relocate any such areas or rights-of-way or lease or grant any rights to use the same to any person except tenants and invitees of tenants of the Premises without prior written consent of Mortgagee.

3. Taxes. Mortgagor will pay when due before any penalty attaches all ad valorem, real estate, general and special taxes, assessments, water charges, sewer charges, and other fees,

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taxes, charges and assessments of every kind and nature whatsoever (all herein generally called "Taxes"), assessed against, applicable to or otherwise constituting a lien against the Premises or any interest therein, or the Indebtedness and Mortgagor will furnish to Mortgagee duplicate receipts therefor. Mortgagor will pay in full (which payment made be made under protest in the manner provided by statute) any Taxes which Mortgagor may desire to contest. However, if deferment of payment is required to conduct any contest or review, Mortgagor shall deposit the full amount thereof, together with an amount equal to the interest and penalties during the period of contest (as estimated by Mortgagee), with Mortgagee. Money so deposited shall be maintained in a Money Market Account, or similar account, in the name of Mortgagor. All interest earned thereon shall be credited to the account. To secure payment and performance of Indebtedness, Mortgagor grants Mortgagee a security interest in and right of setoff against such account. Mortgagor shall (and if Mortgagor shall fail so to do, Mortgagee may, but shall not be required to, and for the purpose may use the monies deposited as aforesaid) pay all Taxes, notwithstanding such contest, if in the opinion of Mortgagee, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed. In the event any law or court decree has the effect of deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the Taxes or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of Mortgagee in the Premises or the manner of collection of Taxes, so as to affect this Mortgage or the Indebtedness or the holder thereof, Mortgagor, upon demand by Mortgagee, will pay such Taxes, or reimburse Mortgagee therefore, to the extent that such tax is a substitute for general real estate taxes as now imposed. Nothing herein contained shall require Mortgagor to pay any income, franchise or excise tax imposed upon Mortgagee, excepting only such which may be levied against such income expressly as and for a specific substitute for Taxes on the Premises, and then only in an amount computed as if Mortgagee derived no income from any source other than its interest hereunder.

4. Insurance Coverage. Mortgagor will keep insured all buildings and improvements on the Premises against such risks, perils and hazards as Mortgagee may from time to time reasonably require, including not less than:

(a) builders risk insurance until completion of construction, and thereafter OLT insurance against loss by fire and risks covered by an all risks coverage endorsement, in such limits as Mortgagor shall desire, but not less than the full insurable value thereof;

(b) rent interruption insurance with limits equal to the Premises' annual gross rents, including payment or reimbursement for taxes, insurance, operating expenses and common area charges, as determined from leases in effect;

(c) public liability insurance against bodily injury, death and property damage with such limits as Mortgagee may require;

(d) boiler, mechanical equipment, cooling equipment, elevator, machinery and other insurance of the types and in amounts as Mortgagee may require;

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(b) Concurrently with each monthly payment installment pursuant to the Note, Mortgagor shall deposit with Mortgagee an amount equal to one-twelfth of the Taxes and one-twelfth of the insurance premiums.

(c) The amount of such deposits ("Tax and Insurance Deposits") shall be based upon the most recently available bills therefor. All Tax and Insurance Deposits shall be held by the Mortgagee without any allowance of interest thereon.

(d) Monthly Tax and Insurance Deposits, together with monthly payments of principal, if any, and interest shall be paid in a single payment each month, to be applied to the following items in the following order:

- (i) Tax and Insurance Deposits;
- (ii) Indebtedness other than principal and interest on the Note;
- (iii) Interest on the Note;
- (iv) Amortization of the principal balance of the Note.

(e) Mortgagee will pay insurance premiums and Taxes from the Tax and Insurance Deposits upon the presentation by Mortgagor of bills therefor, or upon presentation of receipted bills, reimburse Mortgagor for such payments. If the total Tax and Insurance Deposits on hand are not sufficient to pay all of the Taxes and insurance premiums when due, Mortgagor will deposit with Mortgagee any amount necessary to make up the deficiency. If the total of such Deposits exceeds the amount required to pay Taxes and insurance premiums, such excess shall be credited on subsequent deposits to be made for such items.

(f) In the Event of Default, Mortgagee may, but shall not be required to, apply Tax and Insurance Deposits on any Indebtedness, in such order and manner as Mortgagee may elect. When the Indebtedness has been fully paid, any remaining Tax and Insurance Deposits shall be paid to Mortgagor. All Tax and Insurance Deposits are hereby pledged as additional security for Indebtedness and shall not be subject to the direction or control of the Mortgagor.

(g) Mortgagee shall not be liable for any failure to apply any amounts deposited to the payment of Taxes and insurance premiums unless while no Event of Default exists hereunder Mortgagor shall have presented to Mortgagee the appropriate Tax and insurance premium bills to be paid from the Tax and Insurance Deposits.

7. Proceeds of Insurance. Mortgagor will promptly give Mortgagee notice of damage or destruction to the Premises, and:

(a) In case of loss covered by a policy of insurance, Mortgagee, or the purchaser at a foreclosure sale, without the consent of Mortgagor, may settle and adjust any claim, or

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allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss. *Provided however*, if there are no existing Events of Default, Mortgagor may itself adjust losses subject to the consent of the Mortgagee. Mortgagee is hereby authorized to collect and receipt for any such insurance proceeds. Expenses incurred by Mortgagee in adjustment and collection of insurance proceeds shall be additional Indebtedness, and shall be reimbursed to Mortgagee upon demand. Mortgagor hereby grants to Mortgagee a security interest in all such insurance proceeds.

(b) In the event of any insured damage or destruction of the Premises or any part thereof (herein called an "Insured Casualty"), and:

(i) if in the reasonable judgment of Mortgagee the Premises can be restored to an economic unit not less valuable than prior to the Insured Casualty, and adequately securing the outstanding balance of the Indebtedness, or

(ii) if under the terms of any lease to which Mortgagee has consented Mortgagor is obligated to restore, repair, replace or rebuild the Premises and such Insured Casualty does not result in cancellation or termination of such lease or leases and the insurers do not deny liability to the insureds, and

(iii) if no Event of Default as hereinafter defined shall then be continuing, the proceeds of insurance shall be applied to reimburse Mortgagor, or made available through an escrow, for the cost of restoring, repairing, replacing or rebuilding the Premises in the manner hereafter provided and Mortgagor covenants and agrees to forthwith commence and diligently prosecute such restoring, repairing, replacing or rebuilding. Mortgagor shall pay all costs of such restoring, repairing, replacing or rebuilding in excess of the proceeds of insurance.

(c) Except as provided in Subsection (b) of this Section Mortgagee may apply the proceeds of insurance consequent upon any Insured Casualty upon Indebtedness, in such order or manner as Mortgagee may elect.

(d) In the event proceeds of insurance shall be made available to Mortgagor for the restoring, repairing, replacing or rebuilding of the Premises, Mortgagor covenants to restore, repair, replace or rebuild the same, to be of at least equal value, and of substantially the same character as prior to such damage or destruction; all to be effected in accordance with plans and specifications to be first submitted to and approved by Mortgagee.

8. Disbursement of Insurance Proceeds. If Mortgagor is entitled to reimbursement, or to use the proceeds to restore, repair, or replace the Premises, out of insurance proceeds held by Mortgagee, such proceeds shall be disbursed from time to time upon Mortgagee being furnished with (i) satisfactory evidence of the cost of completion of restoration, repair, replacement and rebuilding, (ii) funds sufficient, in Mortgagee's judgment, in addition to the proceeds of insurance, to complete the proposed restoration, repair, replacement and rebuilding, (iii) funds sufficient, in Mortgagee's judgment, to pay for Taxes, insurance, interest and

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operating expense (over and above funds available from insurance proceeds and rents reasonably expected to be received during such time) and to meet such obligations until the Premises shall be restored and income therefrom shall be sufficient for the payment of such expenses, and (iv) with such architect's certificates, waivers of lien, contractor's sworn statements and other evidences of cost and payment as Mortgagee may reasonably require and approve. Mortgagee may require that all plans and specifications for such restoration, repair, replacement and rebuilding be submitted to and be approved by Mortgagee prior to commencement of work. No payment made prior to the final completion of the restoration, repair, replacement or rebuilding shall exceed ninety (90%) percent of the value of the labor and material for work performed from time to time. At all times the undisbursed balance of such funds remaining in the hands of Mortgagee, together with funds deposited for the purpose or irrevocably committed to the satisfaction of Mortgagee by or on behalf of Mortgagor for the purpose, shall be at least sufficient, in the reasonable judgment of Mortgagee, to pay for the cost of completion of the restoration, repair, replacement or rebuilding, free and clear of all liens or claims for lien, and for the payment of interest, taxes and operating expenses as aforesaid. Mortgagee shall deposit such proceeds in a so-called Money Market Account, or a reasonably equivalent account, and the interest earned thereon shall inure to the benefit of Mortgagor.

9. Condemnation. Mortgagor hereby assigns, transfers and sets over unto Mortgagee, and grants Mortgagee a security interest in, the entire proceeds of any award or claim for damages for any part of the Premises taken or damaged under the power of eminent domain, or by condemnation, including damages to remainder. Mortgagee may elect to apply the proceeds of the award in reduction of Indebtedness (without prepayment penalty or premium) then most remotely to be paid, whether due or not, or to require Mortgagor to restore or rebuild the Premises, in which event, provided there then exists no uncured Event of Default, the proceeds held by Mortgagee shall be used to reimburse Mortgagor for the cost of such rebuilding or restoring. If Mortgagor is obligated to restore or replace damaged or destroyed buildings or improvements under the terms of any lease or leases which are or may be prior to the lien of this Mortgage, and if such taking does not result in cancellation of such lease or leases, the award shall be used to reimburse Mortgagor for cost of restoration and rebuilding; provided always, that no Event of Default has occurred and is then continuing. If Mortgagor is required or permitted to rebuild or restore the Premises as aforesaid, such rebuilding or restoration shall be effected in accordance with plans and specifications submitted to and approved by Mortgagee, and proceeds of the award shall be paid out in the same manner as provided for the payment of insurance proceeds towards the cost of rebuilding or restoration, including the deposit of additional funds for interest, taxes and operating expenses as therein provided. If the amount of such award is insufficient to cover the cost of rebuilding or restoration, Mortgagor shall pay such costs in excess of the award before being entitled to reimbursement out of the award. Any surplus which may remain out of the award after payment of such costs of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the Indebtedness, then most remotely to be paid, or be paid to any other party entitled thereto. Mortgagee shall deposit such proceeds in a so-called Money Market Account, or a reasonably equivalent account, and the interest earned thereon shall inure to the benefit of Mortgagor.

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10. Stamp Tax. If any tax is due or becomes due in respect of the issuance of the Note, or the recording of the Mortgage, Mortgagor shall pay such tax in the manner required by such law.

11. Prepayment Privilege. Mortgagor may prepay the principal of the Note at the times and in the manner set forth in the Note.

12. Effect of Extensions of Time, Amendments on Junior Liens and Others. If payment or performance of Indebtedness be extended or varied, or if any security be released, all persons now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability, and the lien, and all provisions hereof, shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding any such extension, variation or release. Any junior mortgage, or other lien upon the Premises or any interest therein, shall be subject to the rights of Mortgagee to amend, modify and supplement this Mortgage, the Note and the Assignment hereinafter referred to, to increase the rate of interest, to make additional advances of principal although the total amount advanced may exceed the face amount of the Note, and to extend the maturity of the Indebtedness, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

13. Payments and Performance by Mortgagee Following Default. In case of an Event of Default, Mortgagee, either before or after acceleration of Indebtedness or the foreclosure of the lien hereof and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act herein in any form and manner deemed expedient to Mortgagee; may, but shall not be required to, make full or partial payments of principal or interest on prior encumbrances; pay, purchase, discharge, compromise or settle any tax lien or any other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture, or contest any tax or assessment; and may complete construction, furnishing and equipping of the improvements upon the Premises and rent, operate and manage the Premises and such Improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises and Improvements shall be operational and usable. All monies paid for any of the purposes herein authorized, and all expenses paid or incurred in connection therewith, including attorneys fees and monies advanced to protect the Premises and the lien hereof, shall be additional Indebtedness, whether or not they exceed the amount of the Note, and shall become immediately due and payable without notice, and with interest thereon at the Default Rate specified in the Note. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor. Mortgagee, in making any payment hereby authorized (a) relating to taxes and assessments, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the Improvements

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or the Premises or the rental, operation or management of the Premises or the payment of operating costs and expenses thereof, may do so in such amounts and to such persons as Mortgagee may deem appropriate and may enter into such contracts therefor as Mortgagee may deem appropriate or may perform the same itself.

14. Inspection of Premises. Mortgagee may inspect the Premises at all reasonable times, and shall have access thereto permitted for that purpose.

15. Restrictions on Transfer. It shall be an immediate Event of Default and a default hereunder if, without the written consent of Mortgagee any of the following shall occur:

(a) Mortgagor shall create, effect, contract to or consent to or shall suffer or permit any mortgage, conveyance or sale, or alienation of the Premises or any part thereof, or interest therein;

(b) if Mortgagor is a corporation more than forty-nine (49%) percent of the voting issued and outstanding shares of stock owned by the present shareholders of Mortgagor shall be sold, assigned or transferred without the prior written consent of Mortgagee;

(c) if Mortgagor is a trust, if the beneficial interest thereof shall be assigned, transferred, pledged or otherwise encumbered without the prior written consent of Mortgagee;

(d) if Mortgagor is a general partnership, if any general partnership interest shall be assigned, transferred or sold;

(e) if Mortgagor is a limited partnership, if any of the general partners as of the time of the execution hereof, shall assign its interest as general partner, shall resign, be removed from office or shall die; or

(f) if the beneficiary of the trust is a corporation or if a general partner of a limited partnership is a corporation or if a general partner of a general partnership is a corporation, if more than forty-nine (49%) percent of the voting issued and outstanding shares of such corporation shall be sold, assigned or transferred by the present shareholders thereof, without the prior written consent of Mortgagee;

in each case whether any such conveyance, sale, assignment or transfer is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise.

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

(a) if default be made in the payment of any installment of principal or interest of the Note, or if default be made for fifteen (15) days after written notice in the making of any

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other payment of monies required to be made hereunder, under the Note or otherwise constituting Indebtedness; or

(b) if an Event of Default pursuant to Section 15 hereof shall occur and be continuing, without notice or period of grace of any kind; or

(c) if Mortgagor (and for the purpose of this Section the term Mortgagor includes Mortgagor, beneficiary and each person who, as guarantor or otherwise, is, shall be or may become liable for or obligated upon all or any part of the Note or the Indebtedness):

(i) shall die, or

(ii) shall file a petition in voluntary bankruptcy under any Federal Bankruptcy Act or similar law, state or federal, now or hereafter in effect, or

(iii) shall file an answer or otherwise in writing admit insolvency or inability to pay its debts, or

(iv) within sixty (60) days after the filing against Mortgagor of any involuntary proceedings under such Bankruptcy Act or similar law, such proceedings shall not have been vacated or stayed, or

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

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

(d) if default shall continue for 10 days after notice thereof by Mortgagee to Mortgagor in the due and punctual performance or observance of any other agreement or condition herein or in the Note contained; provided, however, that if the nature of the default is such that it cannot be reasonably cured within 10 days, if Mortgagor diligently commences cure within 10 days and diligently pursues the cure thereof, Mortgagor shall have 60 days subsequent to the notice of default to cure the same, no event or default shall be deemed to exist during said 60 day period, or

(e) if a default shall occur and not be cured after required notices and lapse of time permitted for cure, on the part of either Lessor or Lessee, under the provisions of the Lease

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for the real estate between Mortgagor and the Carson, Pirie, Scott & Co., Fitness Warehouse, or The Bridal Shop;

then Mortgagee is authorized and empowered, at its option, without affecting the lien hereby created or the priority of said lien or any right of Mortgagee hereunder, to declare, without further notice all Indebtedness immediately due and payable, whether or not such default be thereafter remedied by Mortgagor, and Mortgagee may immediately proceed to foreclose this Mortgage and to exercise any right, power or remedy provided by this Mortgage, the Note or by law or in equity.

17. Foreclosure. When the Indebtedness, or any part thereof, shall become due by reason of maturity, acceleration or a default uncured within the time permitted for cure, Mortgagee shall have the right to foreclose the lien hereof for such Indebtedness or part thereof. In any suit or proceeding to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee, including an amount as reasonably estimated by Mortgagee following the entry of such decree for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or value of the Premises, and any and all amounts expended by Mortgagee pursuant to Article 13 hereof. All expenditures and expenses in this Section mentioned, and expenses and fees as may be incurred in the protection of said Premises and maintenance of the lien of this Mortgage, including the reasonable fees of attorneys employed by Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Premises, including bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor as Indebtedness, with interest thereon at the Default Rate as set forth in the Note.

18. Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policies, if not applied in rebuilding or restoring the buildings or improvements, shall be used to pay the amount due in accordance with any decree of foreclosure and any balance shall be paid as the court may direct. In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the decree creditor may cause a new loss clause to be attached to each casualty insurance policy making the proceeds payable to decree creditors; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, each successive redeemer may cause the preceding loss clause attached to each casualty insurance policy to be canceled and a new loss clause to be attached thereto, making the proceeds thereunder payable to such redeemer. In the event of foreclosure sale, Mortgagee is authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as

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(ii) to elect or disaffirm any lease or sublease which is then subordinate to the lien hereof except to the extent proscribed by any non-disturbance agreement to which Mortgagee is a party;

(iii) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the termination of Mortgagee's appointment as Mortgagee in Possession, beyond the maturity date of the Indebtedness 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 Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser;

(iv) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises as to it may seem judicious;

(v) to insure and reinsure the same and all risks incidental of Mortgagee's possession, operation and management thereof;

(vi) to receive all of such avails, rents, issues and profits; hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor;

(vii) to retain the services of managing agents, leasing agents, accountants and attorneys on such terms and conditions as Mortgagee shall deem to be reasonably appropriate; and

(viii) to exercise the authority and rights granted Mortgagee under the provisions of Articles 13 and 17 hereof.

Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby and Mortgagor shall reimburse Mortgagee therefor immediately upon demand. Upon request from time to time,

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and provided Mortgagor is not in default under this Mortgage, Mortgagee agrees to execute and deliver estoppel certificates, in form and content satisfactory to Mortgagee.

22. Application of Income and Proceeds Received by Mortgagee. Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it, shall have full power to use and apply the avails, rents, issues, profits and proceeds of the Premises to the payment of or on account of the following, in such order as Mortgagee may, in its sole discretion, determine:

(i) to the payment of principal and interest on the Note;

(ii) to the payment of the operating expenses of the Premises, including cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;

(iii) to the payment of Taxes and special assessments now due or which may hereafter become due on the Premises;

(iv) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Premises, and of placing the Premises in such condition as will, in the judgment of Mortgagee, make it readily saleable; and

(v) to the payment of any Indebtedness or any deficiency which may result from any foreclosure sale.

23. Title in Mortgagor's Successors. If ownership of the Premises becomes vested in a person or persons other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest of Mortgagor with reference to this Mortgage and the Indebtedness in the same manner as with Mortgagor. Mortgagor shall give immediate written notice to Mortgagee of any conveyance, transfer or change of ownership of the Premises. Nothing in this Section shall vary or negate the provisions of Section 15 hereof.

24. Assignment of Rents, Issues and Profits.

(a) Mortgagor hereby assigns and transfers to Mortgagee all the rents, issues and profits of the Premises and all present and future leases upon all or any part of the Premises and any and all extensions and renewals thereof ("Leases") and all security deposits or interest therein now or hereafter held by Mortgagor, and hereby gives to and confers upon Mortgagee the right, power and authority to collect such rents, issues and profits. Mortgagor irrevocably appoints Mortgagee its true and lawful attorney-in-fact, at the option of Mortgagee at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue in the name of Mortgagor or Mortgagee for all such rents, issues and

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profits and apply the same to the indebtedness secured hereby. The assignment of the rents, issues and profits of the Premises in this Section is intended to be an absolute assignment from Mortgagor to Mortgagee and not merely the passing of a security interest.

(b) Mortgagor represents that: (i) it has made no prior assignment or pledge of the rents assigned hereby or of Mortgagor's interest in any of the Leases; (ii) to the best of Mortgagor's knowledge no default exists in any of the Leases; (iii) to the best of Mortgagor's knowledge none of the Leases have been modified; and (iv) no prepayment of any installment of rent for more than two (2) months due under any of the Leases has been received by Mortgagor.

(c) Mortgagor will not, without Mortgagee's prior written consent: (i) execute an assignment or pledge of the rents from the Premises or any part thereof or of the Mortgagor's interest in any of the Leases; (ii) terminate or consent to the cancellation or surrender of any of the Leases except in the ordinary course of business; (iii) modify, extend or otherwise alter the terms of any of the Leases except in the ordinary course of business; (iv) accept prepayments more than one month in advance of any installments of rents to become due under any of the Leases; or (v) execute any lease of all or any portion of the Premises except for actual occupancy by the lessee thereunder.

(d) Mortgagor at its sole cost and expense will (i) at all times promptly and faithfully abide by, discharge or perform all of the covenants, conditions and agreements contained in the Leases; (ii) enforce or secure the performance of all of the covenants, conditions and agreements of the Leases on the part of the lessees to be kept and performed; (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with the Leases or the obligations, duties or liabilities of Mortgagor, as lessor, and of the lessees thereunder, and pay all reasonable costs and expenses of Mortgagee, including reasonable attorneys' fees, in any such action or proceeding in which Mortgagee may appear; (iv) transfer and assign to Mortgagee any and all Leases subsequently entered into, which shall be made upon the same or substantially the same terms and conditions (at current market rates) as contained in the Leases presently in effect, and make, execute and deliver to Mortgagee upon demand any and all instruments required to effectuate said assignment; (v) furnish to Mortgagee, within ten (10) days after a request by Mortgagee to do so, a written statement containing the names of all lessees of the Premises or any part thereof, the terms of their respective Leases, the spaces occupied and the rentals payable thereunder as to Leases in which Mortgagor has an interest; (vi) use, within five (5) days of the demand therefor by Mortgagee, commercially reasonable efforts to request from any lessee under any of the Leases a certificate with respect to the status thereof as to Leases in which Mortgagor has an interest; and (vii) furnish Mortgagee promptly with copies of any notices of default which Mortgagor may at any time forward to any lessee of the Premises or any part thereof.

(e) Until an Event of Default, as such term is defined herein, Mortgagee shall not exercise any rights hereunder and Mortgagor shall have the right to collect upon, but not prior to accrual, all rents, issues, profits and advances from the Premises and to retain, use and

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enjoy the same. The rents, issues and profits are hereby assigned absolutely by Mortgagor to Mortgagee contingent only upon the occurrence of an Event of Default under this Mortgage or the Note.

(f) Mortgagee may exercise its rights under the provisions of this Article without necessity of instituting judicial proceedings, being appointed Mortgagee-in-Possession, nor the appointment of a receiver, it being the intention of the parties that the rights herein granted in this Article are independent of any and all other rights granted in this instrument or elsewhere in the Security Documents.

25 Collection Upon Default.

(a) Upon any Event of Default, Mortgagee, but without obligation so to do and without releasing Mortgagor from any obligation hereof, may make or do the same in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee, and also the right to perform and discharge each and every obligation, covenant and agreement of Mortgagor in the Leases contained, and in exercising any such powers to incur and pay necessary and reasonable costs and expenses, including reasonable attorneys' fees, all at the expense of Mortgagor.

(b) Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under the Leases or under or by reason of this assignment. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this Mortgage and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should Mortgagee incur any such liability, loss or damage under the Leases or under or by reason of this assignment or in the defense of any such claims or demands, the amount thereof, including reasonable costs, expenses and reasonable attorneys' fees shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor with interest at the default rate provided in the Note immediately upon demand.

(c) A demand on any lessee by Mortgagee for the payment of the rent on any Event of Default claimed by Mortgagee shall be sufficient warrant to the lessee to make future payment of rents to Mortgagee without the necessity for further consent by Mortgagor, and any person may and is hereby authorized to rely thereon.

(d) To the extent that Mortgagor has the right to so do, Mortgagor does further specifically authorize and instruct each and every present and future lessee of the whole or any part of the Premises to pay all unpaid rental agreed upon in any tenancy to Mortgagee upon receipt of demand from Mortgagee to pay the same, and Mortgagee hereby waives the

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right, claim or demand it may now or hereafter have against any such lessee by reason of such payment of rental to Mortgagee or compliance with other requirements of Mortgagee pursuant to this assignment. Mortgagee shall make a demand on such lessees only after an Event of Default.

(e) Upon or at any time after an Event of Default, Mortgagee may, without further notice, either in person or by agent with or without bringing any action or proceeding, or by a receiver to be appointed by a court, and, either with or without taking possession of the Premises, in the name of Mortgagor or in its own name sue for or otherwise collect and receive such rents, issues, profits and advances, including those past due and unpaid, and apply the same, less reasonable costs and expenses of operation and collection, including, but not being limited to, reasonable attorneys' fees, management fees and broker's commissions, upon any indebtedness secured hereby, and in such order as Mortgagee may determine. Mortgagee reserves, within its own discretion, the right to determine the method of collection and the extent to which enforcement of collection of delinquent rents shall be prosecuted and shall not be accountable for more monies than it actually receives from the Premises. The entering upon and taking possession of the Premises or the collection of such rents, issues, profits and advances, and the application thereof, as aforesaid, shall not cure or waive any default hereunder and Mortgagee may continue to so possess and collect even after any such default has been cured. Mortgagor agrees that it will facilitate in all reasonable ways Mortgagee's collection of said rents, and will, upon request by Mortgagee, promptly execute a written notice to each lessee directing the lessee to pay rent to Mortgagee.

26. Security Agreement. This instrument shall also serve as a grant of security interest in and to all personal property owned by Mortgagor and used in connection with the operation of the Real Estate, including, without limitation, building materials, mechanical equipment, cleaning supplies and cleaning equipment, snow removal, accounts receivable, security deposits (subject to the rights of tenants), escrow deposits for the payment of taxes and insurance premiums, as well as the items of personal property elsewhere described herein. Concurrently with the execution hereof, Mortgagor will execute such UCC Financing Statements as are requested by Mortgagee, and will from time to time thereafter forthwith upon request by Mortgagee execute such additional Financing Statements and Continuation Statements as Mortgagee may request.

Mortgagor hereby makes the following representations and warranties regarding the Personal Property:

- (a) The Personal Property is bought or used primarily for business use.
- (b) The Personal Property (except for receivables and bank accounts) will be kept at the Premises. Mortgagor will not remove the Personal Property from the Premises without the prior written consent of Mortgagee, which consent may be withheld in Mortgagee's sole and absolute discretion, unless the Personal Property is obsolete, damaged, sold or disposed of and replaced by Personal Property of comparable quality and value.

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(c) Except for the security interest granted hereby Mortgagor is the owner of the Personal Property free from any adverse lien, security interest or encumbrance; and Mortgagor will defend the Personal Property against all claims and demands of all persons at any time claiming the same or any interest therein.

(d) No Financing Statement covering any of the Personal Property or any proceeds thereof is on file in any public office, other than financing statements to be released by reason of payments to be made from disbursements of monies borrowed and secured hereby. Mortgagor shall immediately notify Mortgagee in writing of any change in name, address, identity or ownership structure from that shown in this Mortgage and shall also upon demand furnish to Mortgagee such further information and shall execute and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee and shall do all such acts and things as Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Personal Property as security for the Indebtedness, subject to no adverse liens or encumbrances; and Mortgagor will pay the cost of filing the same or filing or recording this Mortgage in all public offices wherever filing or recording is deemed by Mortgagee to be necessary or desirable. The original or a carbon, photographic or other reproduction of this Mortgage is sufficient as a financing statement.

(e) Mortgagor will not sell or offer to sell, assign, pledge, lease or otherwise transfer or encumber the Personal Property or any interest therein, unless such Personal Property is obsolete or sold or disposed of and is replaced by other Personal Property of comparable quality and value, without the prior written consent of Mortgagee.

(f) Mortgagor will keep the Personal Property free from any adverse lien, security interest or encumbrance and in good order and repair, ordinary wear and tear excepted, shall not waste or destroy the Personal Property or any part thereof, and shall not use the Personal Property in violation of any statute, ordinance or policy of insurance thereon. Mortgagee may examine and inspect the Personal Property at any reasonable time or times, on reasonable notice, wherever located.

(g) Until the occurrence of an Event of Default, Mortgagor may have possession of the Personal Property and use it in any lawful manner not inconsistent with this Mortgage and not inconsistent with any policy of insurance thereon.

(h) Upon the occurrence of an Event of Default (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted) and at any time thereafter Mortgagee shall have the remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation the right to take immediate and exclusive possession of the Personal Property, or any part thereof, and for that purpose may, so far as Mortgagor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Personal Property or any part thereof may be situated and remove the same therefrom (provided that if the Personal

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Property is affixed to the Real Estate, such removal shall be subject to the conditions stated in the Uniform Commercial Code of Illinois); and Mortgagee shall be entitled to hold, maintain, preserve and prepare the Personal Property for sale, until disposed of, or may propose to retain the Personal Property subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations as provided in the Uniform Commercial Code of Illinois. Mortgagee, without removal, may render the Personal Property unusable and dispose of the Personal Property on the Premises. Mortgagee may require Mortgagor to assemble the Personal Property and make it available to Mortgagee for possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Unless the Personal Property is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Mortgagee will give Mortgagor at least fifteen (15) days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Mortgagor shown in this Mortgage at least fifteen (15) days before the time of the sale or disposition. Mortgagee may buy at any public sale and if the Personal Property is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, he may buy at private sale. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and reasonable attorneys' fees and legal expenses incurred by Mortgagee both before and after judgment, if any, shall be applied in satisfaction of the Indebtedness. Mortgagee will account to Mortgagor for any surplus realized on such disposition and Mortgagor shall remain liable for any deficiency. All rights and remedies under this Mortgage are subject to applicable bankruptcy law.

(i) The remedies of Mortgagee hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Uniform Commercial Code of Illinois shall not be construed as a waiver of any of the other remedies of Mortgagee so long as any part of Mortgagor's obligations remains unsatisfied.

(j) All rights of Mortgagee in, to and under this Mortgage and in and to the Personal Property shall pass to and may be exercised by any assignee thereof. Mortgagor agrees that if Mortgagee gives notice to Mortgagor of an assignment of said rights, upon such notice the liability of Mortgagor to the assignee shall be immediate and absolute.

(k) Mortgagor will not set up any claim against Mortgagee as a defense, counterclaim or setoff to any action brought by any such assignee for the unpaid balance owed hereunder or for possession of the Personal Property, provided that Mortgagor shall not waive hereby any right of action to the extent that waiver thereof is expressly made unenforceable under applicable law.

27. Rights Cumulative. Each right, power and remedy conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy so existing may be exercised from time to time as often and in such order as may be deemed

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expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of Mortgagee in the exercise of any right, power or remedy shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

28. Successors and Assigns. This Mortgage and each and every covenant, agreement and other provisions hereof shall be binding upon Mortgagor and its successors and assigns, including each and every from time to time record owner of the Premises or any other person having an interest therein, and shall inure to the benefit of Mortgagee and its successors and assigns. Wherever herein Mortgagee is referred to, such reference shall be deemed to include the holder of the Note, whether so expressed or not; and each such holder of the Note shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereunder, and may enforce all and every of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such from time to time holder were herein by name designated Mortgagee.

29. Provisions Severable. The unenforceability or invalidity of any provisions hereof shall not render any other provisions herein contained unenforceable or invalid.

30. Waiver of Defense. Mortgagor certifies that this Mortgage is good and valid, is in all respects free from all defenses, both in law and in equity, and that the Note, together with interest thereon, will be fully paid when and as the same becomes due in accordance with the terms thereof, and hereby waives any defense which would not be good and available to the party interposing the same in an action at law upon the Note, all such defenses being hereby waived by Mortgagor. Actions for the enforcement of the lien or any provision hereof shall not be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note, and all such defenses are hereby waived by Mortgagor. Any person purchasing the Note, or otherwise acquiring any interest therein, may do so in reliance upon this Section and the matters herein recited.

31. Captions and Pronouns. The captions and headings of the various sections of this Mortgage are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

32. Addresses and Notices. Any notice which any party hereto may desire or may be required to give to any other party shall be in writing, and the mailing thereof by certified mail to the addresses hereafter set forth or to such other place as any party hereto may by notice in writing designate, shall constitute service of notice hereunder, two (2) days after the mailing thereof:

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IF TO MORTGAGEE:

Comerica Bank-Illinois
8700 North Waukegan Road
Morton Grove, Illinois 60053
Attn: Commercial Real Estate

IF TO MORTGAGOR:

American National Bank and Trust Company
33 North LaSalle Street
Chicago, Illinois 60602

with a copy to:

Mr. Gary L. Solomon
% Gary L. Solomon & Company
3139 North Lincoln Avenue #212
Chicago, Illinois 60657

33. No Liability on Mortgagee. Notwithstanding anything contained herein, Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, whether hereunder, under any of the leases affecting the Premises, under any contract relating to the Premises or otherwise, and Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which Mortgagee may incur under or with respect to any portion of the Premises or under or by reason of its exercise of rights hereunder; and any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in any of the contracts, documents or instruments affecting any portion of the Premises or effecting any rights of Mortgagor thereto. Mortgagee shall not have responsibility for the control, care, management or repair of the Premises or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss or injury or death to any tenant, licensee, employee, stranger or other person. No liability shall be enforced or asserted against Mortgagee in its exercise of the powers herein granted to it, and Mortgagor expressly waives and releases any such liability. Should Mortgagee incur any such liability, loss or damage under any of the leases affecting the Premises or under or by reason hereof, or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagee immediately upon demand for the full amount thereof, including costs, expenses and attorneys' fees.

34. Financial Statement. Mortgagor covenants and agrees that it (or its beneficiary if the owner of the Premises is an Illinois land trust) will keep and maintain books and records of account, or cause books and records of account to be kept and maintained in which full, true and correct entries shall be made of all dealings and transactions relative to the Premises, which books and records of account shall, at reasonable times and on reasonable notice, be open to the inspection of the Mortgagee and its accountants and other duly authorized representatives. Such books of record and account shall be kept and maintained either:

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- (a) in accordance with generally accepted accounting practices consistently applied; or
- (b) in accordance with a cash basis or other recognized comprehensive basis of accounting consistently applied.

Mortgagor covenants and agrees to furnish, or cause to be furnished to the Mortgagee, annually, within ninety (90) days of the end of each fiscal year of the Mortgagor (or its beneficiary if the owner of the Premises is an Illinois land trust), financial statements, which may be prepared in house, prepared in accordance with this paragraph, including a balance sheet and supporting schedules and containing a detailed statement of income and expenses. The shareholders of the beneficiary of Mortgagor or such other person satisfactory to Mortgagee shall certify that each such report presents fairly the financial position of such beneficiary.

If Mortgagor omits to prepare and deliver promptly any report required by this Paragraph 34, the Mortgagee may elect, in addition to exercising any remedy for an event of default as provided for in this Mortgage, to make an audit of all books and records of Mortgagor (or its beneficiary if the owner of the Premises is an Illinois land trust), including its bank accounts which in any way pertain to the Premises and to prepare the statement or statements which Mortgagor failed to procure and deliver. Such audit shall be made and such statement or statements shall be prepared by an independent Certified Public Accountant to be selected by the Mortgagee. Mortgagor shall pay all expenses of the audit and other services, which expenses shall be secured hereby as additional indebtedness and shall be immediately due and payable with interest thereon at the Default Rate of interest as set forth in the Note and shall be secured by this Mortgage.

35. Mortgagor not a Joint Venturer or Partner. Mortgagor and Mortgagee acknowledge and agree that Mortgagee is not and in no event shall Mortgagee be deemed to be a partner or joint venturer with Mortgagor or any beneficiary of Mortgagor. Nor shall Mortgagee be deemed to be a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the indebtedness secured hereby, or otherwise.

36. Environmental Compliance. Mortgagor covenants that the buildings and other improvements constructed on, under or above the subject real estate will be used and maintained in accordance with all applicable environmental regulations and the use of said buildings by Mortgagor, or Mortgagor's lessees, will not unduly or unreasonably pollute the atmosphere with smoke, fumes, noxious gases or particulate pollutants in violation of any such regulations; and in case Mortgagor (or said lessees) are served with notice of violation by any environmental regulatory agency or other municipal body, that it will immediately cure such violations and abate whatever nuisance or violation is claimed or alleged to exist. Provided that Mortgagor shall provide Mortgagee with such bonds, surety (in the form of cash deposits or otherwise), and such other assurances as Mortgagee may require, Mortgagor may contest any such claim in good

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faith and with due diligence, during which contest Mortgagee may not declare that a default exists under this Mortgage because or in consequence of the alleged violation.

37. Financing Statement. This Mortgage is intended to be a UCC-2 Financing Statement within the purview of the Uniform Commercial Code with respect to the collateral and the goods described herein, which goods are and may become fixtures relating to the premises. The addresses of the Mortgagor (Debtor) and the Mortgagee (Secured Party) are herein set forth. This Mortgage is to be filed for record with the Recorder of Deeds or the county or counties where the premises are located. Trustee is the record owner of the premises.

38. Jury Waiver. Mortgagor knowingly, voluntarily and intentionally waives irrevocably the right it may have to trial by jury with respect to any legal proceeding based hereon, or arising out of, under or in connection with the Note, the Indebtedness, or the Premises, or any agreement executed or contemplated to be executed in conjunction herewith or any course of conduct or course of dealing in which Mortgagee and Mortgagor are adverse parties. This provision is a material inducement for Mortgagee in granting any financial accommodation to Mortgagor.

39. Trustee Exculpation. This Mortgage is executed by American National Bank and Trust Company of Chicago, not personally, but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said American National Bank and Trust Company of Chicago hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said Note contained shall be construed as creating any liability on American National Bank and Trust Company of Chicago or its beneficiary personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, either expressed or implied herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as American National Bank and Trust Company of Chicago or its beneficiary personally are concerned, the legal holder or holders of said Note and the owner or owners of any indebtedness accruing hereunder shall look to any or all of the following for the payment thereof: (a) to the Premises hereby conveyed by the enforcement of the lien hereby created, in the manner herein and in said Note provided; (b) to any other security given to secure the payment of said Note; and (c) to the personal liability of each guarantor (if any) of the payment of the Note and the performance of the Mortgagor hereunder.

40. Construction Loan. This Mortgage evidences a construction loan. Mandatory advances are required on the part of Mortgagee. The maximum amount which may be secured by this Mortgage shall be not more than four times the amount of the Note and the Letter of Credit.

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7/26/95

PROMISSORY NOTE

\$3,750,000.00

Chicago, Illinois

_____, 1995

FOR VALUE RECEIVED, the undersigned American National Bank and Trust Company of Chicago, not individually but solely as Trustee, under Trust Agreement dated September 1, 1983 and known as its Trust No. 59135 ("Maker") promises to pay to the order of Comerica Bank-Illinois, a national banking association, 8700 North Waukegan Road, Morton Grove, Illinois 60053 ("Bank") in the manner hereinafter provided, the principal sum of Three Million Seven Hundred Fifty Thousand (\$3,750,000) Dollars or so much thereof as shall be outstanding, together with interest on the outstanding principal balance from time to time, as follows:

(1) On the first day of the first full calendar month following the date of initial disbursement of proceeds hereunder, and on the first day of each calendar month thereafter to and including June 1, 1996, there shall be paid interest at a rate equal to the prime rate of interest announced and in effect from time to time at Bank, plus 0.75% per annum.

(2) On February 1, 1996 ("Maturity Date") the principal balance together with all accrued and unpaid interest and all other amounts which become due hereunder shall be paid.

Interest shall be computed and paid for the actual number of days elapsed on the basis of the year having 360 days.

On any interest payment date under this Note, and upon five (5) days' written notice to Bank, this Note may be prepaid in whole or in part.

In the event of a default in the payment of this Note, Maker promises to pay all costs incurred by Bank in connection therewith including, but not limited to, court costs, litigation expense and reasonable attorneys' fees, incurred pre- and post-judgment.

All payments received on account of this Note shall be applied first to costs and expenses payable pursuant to the next preceding paragraph; second to interest and the remainder (if any) shall be applied to principal. All such payments are to be made at such place as the legal holder of this Note may from time to time in writing appoint, and in the absence of such appointment, at the address of Bank aforesaid.

This Note is secured by an instrument titled "Real Estate Mortgage, Assignment of Rents and Security Agreement and Financing Statement" and by other instruments of a security nature (collectively "Security Documents") in favor of Bank encumbering real estate

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and personal property located in Cook County, Illinois. A default under the terms of any of said instruments will be deemed a default under this Note.

If default be made in the payment of any interest herein provided for, or the principal sums evidenced hereby, or any part thereof, or any other sums payable pursuant to the terms of this Note or the Security Agreements, or if default be made in the performance of any covenants or agreement contained in the Security Agreements or contained in any other instruments securing the payment of this Note, at the time when performance is required by any such instrument and shall remain uncured beyond the time therein permitted for cure, then, or at any time thereafter, at the option of the holder of this Note, the whole of the principal sum then remaining unpaid hereunder, together with all interest accrued thereon, shall immediately become due and payable without notice, and the lien given to secure the payment of this Note may be foreclosed. From and after the maturity of this Note, either according to its terms or as the result of a declaration of maturity made by the holder hereof and after the due date for the performance of such covenants or conditions irrespective of any declaration of maturity, the entire principal remaining unpaid hereunder shall bear interest at an annual rate equal to five (5%) percent over and above Prime Rate of Interest from time to time in effect at Comerica Bank-Illinois.

In addition to the foregoing, Lender shall be entitled to a late payment fee in the amount of five (5%) percent of any payment not paid within five days of the date when due.

The undersigned and all endorsers, guarantors and all persons liable or to become liable on this Note waive presentment, protest, demand, notice of protest, demand and dishonor and nonpayment of this Note.

The remedies of the Holder as provided herein and in the Security Documents are cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of the Holder, and may be exercised as often as the occasion therefor shall arise.

Funds representing the proceeds of the indebtedness herein which are disbursed by mail, wire transfer or other delivery shall for all purposes be deemed to be outstanding and to have been received as of the date of such mailing, wire transfer or other delivery, and interest shall accrue and be payable on such funds from and after the date of such wire transfer, mailing or delivery until paid to holder.

The term "Bank" as used herein includes any subsequent holder of this Note.

Time is of the essence of this Note and each provision hereof.

This instrument is executed by American National Bank and Trust Company of Chicago, not individually or personally, but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it is expressly understood and agreed that nothing herein contained shall be construed as creating any

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liability on American National Bank and Trust Company of Chicago, personally to pay any indebtedness arising or accruing under or pursuant to this Note, or to perform any covenant, undertaking, representation or agreement, either express or implied, contained in this instrument, all such personal liability, if any, being expressly waived by each and ever person now or hereafter claiming any right under this Note.

Maker knowingly, voluntarily and intentionally waives irrevocably the right it may have to trial by jury with respect to any legal proceeding based hereon, or arising out of, under or in connection with this Note, Mortgage or any of the other obligations, or the collateral secured by the Security Documents, or any agreement, executed or contemplated to be executed in conjunction herewith or any course of conduct or course of dealing, in which Bank and Maker are adverse parties. This provision is a material inducement for Holder in granting any financial accommodation to Maker.

IN WITNESS WHEREOF, the undersigned has executed this Note the day and year first above written.

American National Bank and Trust Company of
Chicago, as Trustee as aforesaid

By: _____

Its: _____

Attest: _____

Its: _____

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EXHIBIT B

LEGAL DESCRIPTION

THAT PART OF OUT-L "D" IN SCHAUMBURG INDUSTRIAL PARK, BEING A SUBDIVISION OF THE SOUTHEAST 1/4 OF SECTION 11, PART OF THE NORTH EAST 1/4 OF SECTION 11, PART OF THE SOUTH WEST 1/4 OF SECTION 12; PART OF THE NORTH WEST 1/4 OF SECTION 13; AND PART OF THE NORTH EAST 1/4 OF SECTION 14, ALL IN TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN; RECORDED AS DOCUMENT NUMBER 20866510 AND FILED AS DOCUMENT #LR 2455597; BOUNDED BY A LINE DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTH EAST CORNER OF OUT-L "D" AFORESAID; THENCE SOUTH 87 DEGREES 16 MINUTES 56 SECONDS WEST ALONG THE SOUTH LINE OF SAID OUT-L "D" A DISTANCE OF 1752.0 FEET FOR A POINT OF BEGINNING; THENCE CONTINUING SOUTH 87 DEGREES 16 MINUTES 56 SECONDS WEST ALONG THE SOUTH LINE OF SAID OUT-L "D" A DISTANCE OF 350.0 FEET, THENCE NORTH 02 DEGREES 42 MINUTES 04 SECONDS WEST A DISTANCE OF 600.0 FEET; THENCE NORTH 87 DEGREES 16 MINUTES 56 SECONDS EAST, A DISTANCE OF 350.00 FEET, THENCE SOUTH 02 DEGREES 42 MINUTES 04 SECONDS EAST, A DISTANCE OF 600.0 FEET TO THE POINT OF BEGINNING, EXCEPTING THEREFROM THE SOUTH 20.0 FEET THEREOF IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS 850 EAST GOLF ROAD, SCHAUMBURG, ILLINOIS

P.I.N.: 07-11-400-009

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