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This instrument prepared by
and after recording return to:

Lauane C. Addis
Katz, Karacic, Helmin & Addis, P.C.
180 N. LaSalle Street, Suite 3001
Chicago, IL 60601

DEPT-01 RECORDING \$73.50
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COOK COUNTY RECORDER

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT and FINANCING STATEMENT

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT
and FINANCING STATEMENT (herein sometimes called this "Mortgage") is
made as of October 25, 1995, by and between Thomas M. Fencil, having
an address at 3515 N. Wilton, Apartment 1, Chicago, Illinois 60657,
(herein together with his respective successors and assigns, called
the "Mortgagor"); and Joybelle G. Kimlicka, having an address at 1463
W. Hutchinson, Chicago, Illinois 60613 (herein, together with her
successors and assigns, called the "Mortgagee").

WHEREAS, the Mortgagor and Mortgagee entered into a certain Real
Estate Sales Contract dated as of August 21, 1995 (the "Sales
Agreement"), pursuant to which the Mortgagee has sold to the Mortgagor
certain real estate located at 1057 W. Foster, Chicago, Illinois, and
legally described on Exhibit A hereto (the "Premises"); and

WHEREAS, pursuant to the terms of the Sales Agreement, a portion
of the purchase price for the Premises is to be in the form of a loan
by Mortgagee to Mortgagor in the amount of \$94,500.00 (the "Loan"),
and in evidence thereof Mortgagor has executed and delivered to the
Mortgagee that certain Promissory Note payable to the order of the
Mortgagee, dated as of October 25, 1995 in the face principal amount
of \$93,130.40 (the "Loan Note or "Note"), which bears interest as
provided therein on the principal amount thereof from time to time
outstanding. The Mortgagor is or will become justly indebted to the
Mortgagee in the amount of the Loan in accordance with the terms of
the Sales Agreement; and

WHEREAS, in connection with the Sales Agreement, Mortgagor has
agreed to execute and deliver this Mortgage.

I. DEFINITIONS

The following capitalized terms shall have the meanings assigned
thereto below.

A. Loan Documents. Any and all agreements relating to the
Loan, including, without limitation, the Loan Note, this Mortgage, and
any other documents and instruments executed and delivered by or for
the benefit of the Mortgagor in connection with the Loan or Loan Note

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or as security therefor, or for the purpose of supplementing or amending all or any of the foregoing, all of which, as the same may be amended, modified or supplemented from time to time, are referred to herein as the "Loan Documents;"

B. **Obligations.** As used in this Mortgage, the term "Obligations" means and includes all of the following: the principal of, interest on and any and all other amounts which may at any time be or become due or owing under the Loan Note; all indebtedness of any kind arising under, and all amounts of any kind which may at any time be or become due or owing to the Mortgagee under or with respect to this Mortgage, or any other of the Loan Documents; all of the covenants, obligations and agreements (and the truth of all representations and warranties) of the Mortgagor in, under or pursuant to the Loan Note, this Mortgage, and all of the other Loan Documents; any and all advances, costs or expenses paid or incurred by the Mortgagee to protect any or all of the Collateral (hereinafter defined), perform any obligation of the Mortgagor hereunder, enforce this Mortgage or any of the Loan Documents, or collect any amount owing to the Mortgagee which is secured hereby; any and all other liabilities, obligations and indebtedness, howsoever created, arising or evidenced, direct or indirect, absolute or contingent, recourse or "nonrecourse", now or hereafter existing or due or to become due, owing by the Mortgagor to the Mortgagee; interest on all of the foregoing; and all costs (including, without limitation, reasonable attorneys' fees and expenses) of enforcement and collection of the Loan Note, this Mortgage, and the other Loan Documents, and the other documents, instruments, obligations and liabilities described hereinabove;

C. **Collateral.** For purposes of this Mortgage, the term "Collateral" means and includes all of the following:

1. All of the real property legally described on Exhibit A hereto (the "Land"), together with all and singular the tenements, rights, easements, hereditaments, rights of way, privileges, liberties, appendages and appurtenances now or hereafter belonging or in anyway appertaining to the Land (including, without limitation, all rights relating to storm and sanitary sewer, water, gas, electric, railway and telephone services); all development rights, air rights, water, water rights, water stock, gas, oil, minerals, coal and other substances of any kind or character underlying or relating to the Land; all estate, claim, demand, right, title or interest of the Mortgagor in and to any street, road, highway, or alley (vacated or otherwise) adjoining the Land or any part thereof; all strips and gores belonging, adjacent or pertaining to the Land; and any after-acquired title to any of the foregoing (all of the foregoing is herein referred to collectively as the "Premises");

2. All buildings, structures, replacements, furnishings, fixtures, fittings and other improvements and property of every kind and character now or hereafter located or erected on the Premises, together with all building or construction materials,

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equipment, appliances, machinery, plant equipment, fittings, apparatus, fixtures and other articles of any kind or nature whatsoever now or hereafter found on, affixed to or attached to the Premises, including (without limitation) all motors, boilers, engines and devices for the operation of pumps, and all heating, electrical, lighting, power, plumbing, air conditioning, refrigeration and ventilation equipment (all of the foregoing is herein referred to collectively as the "Improvements");

3. (i) All building materials, goods, construction materials, appliances (including stoves, refrigerators, water fountains and coolers, fans, heaters, incinerators, compactors, dishwashers, clothes washers and dryers, water heaters and similar equipment), supplies, blinds, window shades, carpeting, floor coverings, growing plants, fire sprinklers and alarms, control devices, equipment (including motor vehicles and all window cleaning, building cleaning, swimming pool, recreational, monitoring, garbage, air conditioning, pest control and other equipment), tools, furnishings, furniture, light fixtures, non-structural additions to the Premises; and (ii) all other tangible property of any kind or character now or hereafter owned by the Mortgagor and used or useful in connection with the Premises, any construction undertaken in or on the Premises, any trade, business or other activity (whether or not engaged in for profit) for which the Premises is used, the maintenance of the Premises or the convenience of any guests, licensees or invitees of the Mortgagor; all regardless of whether located in or on the Premises or located elsewhere for purposes of fabrication, storage or otherwise (all of the foregoing is herein referred to collectively as the "Goods");

4. All goodwill, option rights, purchase contracts, contract rights, books and records and general intangibles of the Mortgagor relating to the Premises, and all accounts, contract rights, instruments, chattel paper and other rights of the Mortgagor for payment of money for property sold or lent, for services rendered, for money lent, or for advances or deposits made, and any other intangible property of the Mortgagor related to the Premises (all of the foregoing is herein referred to collectively as the "Intangibles");

5. All rents, issues, profits, royalties, avails, income and other benefits derived or owned by the Mortgagor directly or indirectly from the Premises (all of the foregoing is herein collectively called the "Rents");

6. All rights of the Mortgagor under all leases, licenses, occupancy agreements, concessions or other arrangements, whether written or oral, whether now existing or entered into at any time hereafter, whereby any person agrees to pay money or any consideration for the use, possession or occupancy of, or any estate in, the Premises or any part thereof,

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and all rents, income, profits, benefits, avails, advantages and claims against guarantors under any thereof (all of the foregoing is herein referred to collectively as the "Leases");

7. All rights of the Mortgagor to plans and specifications, designs, drawings and other matters prepared for any construction or improvements in or on the Premises, (all of the foregoing is herein called the "Plans");

8. All rights of the Mortgagor under any contracts executed by the Mortgagor, with any provider of goods or services for or in connection with any construction undertaken on, or services performed or to be performed in connection with, the Premises, (all of the foregoing is herein referred to collectively as the "Contracts for Construction");

9. All rights of the Mortgagor as seller or borrower under any agreement, contract, understanding or arrangement pursuant to which the Mortgagor has or may hereafter have, with the consent of the Mortgagee, obtained the agreement of any person to pay or disburse any money for the Mortgagor's sale (or borrowing on the security) of the Collateral or any part thereof (all of the foregoing is herein referred to collectively as the "Contracts for Sale"), and

10. All other property or rights of the Mortgagor of any kind or character related to the Premises, and all proceeds (including, without limitation, insurance and condemnation proceeds) and products of any of the foregoing.

II. GRANT

For and in consideration of the Mortgagee executing and delivering the Sales Agreement and of the Mortgagee's making the Loan, advance or other financial accommodation at any time to or for the benefit of the Mortgagor, and in consideration of the various agreements contained herein, or in the Loan Documents, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the Mortgagor, and in order to secure the full, timely and proper payment and performance of each and every one of the Obligations.

THE MORTGAGOR HEREBY MORTGAGES, CONVEYS, GRANTS, BARGAINS, SELLS, TRANSFERS, ASSIGNS AND WARRANTS TO THE MORTGAGEE AND ITS SUCCESSORS AND ASSIGNS FOREVER, AND GRANTS TO THE MORTGAGEE A CONTINUING SECURITY INTEREST IN AND TO, ALL OF THE COLLATERAL,

TO HAVE AND TO HOLD the Collateral unto the Mortgagee and its successors and assigns forever, hereby expressly waiving and releasing any and all right, benefit, privilege, advantage or exemption under and by virtue of any and all statutes and laws of the State or other jurisdiction in which the Premises is located providing for the exemption of homesteads from sale on execution or otherwise.

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The Mortgagor hereby covenants with and warrants to the Mortgagee and with the purchaser at any foreclosure sale; that at the execution and delivery hereof the Mortgagor is well seized of the Premises, and of a good, indefeasible estate therein, in fee simple; that the Collateral is free from all encumbrances whatsoever (and any claim of any other person thereto) other than lien and security interest granted to the Mortgagee herein and pursuant to the Loan Documents and the encumbrances set forth in the Title Insurance Policy issued by Attorney Title Guaranty in connection herewith (the "Permitted Exceptions"); that it has good and lawful right to sell, mortgage and convey the Collateral; and that it and its successors and assigns will forever warrant and defend the Collateral against all claims and demands whatsoever.

III. COVENANTS AND AGREEMENTS OF MORTGAGOR

Further to secure the full, timely and proper payment and performance of the Obligations, the Mortgagor hereby covenants and agrees with, and warrants to, the Mortgagee as follows:

A. Payment of Obligations. The Mortgagor agrees that it will pay or cause to be paid, timely and in the manner required in the appropriate documents or instruments, the principal of and interest on the Loan, all obligations of the Mortgagor under or with respect to the obligations (including fees and charges).

B. Payment of Taxes. The Mortgagor will pay or cause to be paid before delinquent, all taxes and assessments, general or special, and any and all levies, claims, charges, expenses and liens, ordinary or extraordinary, governmental or non-governmental, statutory or otherwise, due or to become due, that may be levied, assessed, made, imposed or charged on or against the Collateral or any property used in connection therewith (the "Taxes"), and will pay before due any tax or other charge on the interest or estate in lands created or represented by this Mortgage or by any of the other Loan Documents, whether levied against the Mortgagor or the Mortgagee or otherwise, and will submit to the Mortgagee upon request all receipts showing payment of all of such taxes, assessments and charges; provided, however, that the Mortgagor shall not (unless otherwise required by law) be required to pay any such taxes, assessments, levies, claims, charges, expenses or liens which are being contested to the extent and as provided herein. If, at any time after an Event of Default has occurred, the general real estate taxes for any year have not been assessed against the Premises and placed in collection by November 1 of the following year, the Mortgagor will, upon request of the Mortgagee, deposit with the Mortgagee, in addition to other amounts deposited by Mortgage hereunder, an amount equal to the actual general real estate taxes on the Premises for such year or to 110% of the taxes and charges levied or assessed against the Premises for the preceding year. Deposits with the Mortgagee hereunder shall be held as security for the Obligations but will be released, upon the Mortgagor's request, directly to the payment of such taxes.

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C. Maintenance and Repair. The Mortgagor will: not abandon the Premises; not do or suffer anything to be done which would depreciate or impair the value of the Collateral or the security of this Mortgage; not remove or demolish any of the Improvements; pay promptly for all labor and materials for all construction, repairs and improvements to or on the Premises; not make any changes, additions or alterations to the Premises or the Improvements except as required by any applicable governmental requirement or as otherwise approved in writing by the Mortgagee; maintain, preserve and keep the Goods and the Improvements in good, safe and insurable condition and repair and promptly make any needful and proper repairs, replacements, renewals, additions or substitutions required by wear, damage, obsolescence or destruction; promptly restore and replace any of the Improvements or Goods which are destroyed or damaged; not commit, suffer, or permit waste of any part of the Premises; and maintain all grounds and abutting streets and sidewalks in good and neat order and repair. Anything to the contrary contained herein notwithstanding, the Mortgagor may sell, transfer or otherwise dispose of equipment, furnishings and similar personal property used in connection with the Premises if the same become damaged, destroyed or obsolete provided that all such equipment, furnishings and other personal property is, prior to or concurrently with such sale, transfer or other disposition, replaced with equipment, furnishings and similar personal property that is at least of comparable quality, value and utility and is free and clear of all security interests and other liens except for the liens and security interests granted to the Mortgagee by this Mortgage and the Loan Documents; provided, further, that no such equipment, furnishings and other personal property (with the exception of motor vehicles which in all cases shall be replaced unless the Mortgagee otherwise consents) need be so replaced if the Mortgagor determines in the exercise of good business judgment that the same is no longer required for the continued operation of the Premises or the operation of the business conducted therefrom.

D. Sales; Liens. Except as otherwise permitted under this Mortgage or the other Loan documents, the Mortgagor will not: sell, assign, transfer, convey or otherwise dispose of, or permit to be sold, assigned, transferred, conveyed or otherwise disposed of, the Collateral or any part thereof or any interest (whether legal, beneficial or otherwise) or estate in any thereof; remove any of the Collateral from the Premises or from the State in which the Premises is located; or create, suffer or permit to be created or to exist any mortgage, lien, claim, security interest, charge, encumbrance or other right or claim of any kind whatsoever upon the Collateral or any part thereof, except those of current taxes not delinquent and the Permitted Exceptions.

E. Access by Mortgagee. The Mortgagor will at all times: deliver to the Mortgagee either all of its executed originals (in the case of chattel paper or instruments) or certified copies (in all other cases) of all leases, agreements creating or evidencing Intangibles, Plans, Contracts for Construction, Contracts for Sale, all amendments and supplements thereto, and any other document which is, or which evidences, governs, or creates, Collateral; permit access

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by the Mortgagee at reasonable times to its books and records, construction progress reports, tenant registers, sales records, offices, insurance policies and other papers for examination and the making of copies and extracts; prepare such schedules, summaries, reports and progress schedules as the Mortgagee may reasonably request; and permit the Mortgagee and its agents and designees, at all reasonable times, to enter on and inspect the Premises.

F. Stamp and Other Taxes. If the Federal, or any state, county, local, municipal or other, government or any subdivision of any thereof having jurisdiction, shall levy, assess or charge any tax (excepting therefrom any income tax on the Mortgagee's receipt of interest payments on the principal portion of the indebtedness secured hereby), assessment or imposition upon this Mortgage, the Obligations, the Loan Note or any of the other Loan Documents, the interest of the Mortgagee in the Collateral, or any of the foregoing, or upon the Mortgagee by reason of or as holder of any of the foregoing, or shall at any time or times require revenue stamps to be affixed to the Loan Note, this Mortgage, or any of the other Loan Documents, the Mortgagor shall pay all such taxes and stamps to or for the Mortgagee as they become due and payable. If any law or regulation is enacted or adopted permitting, authorizing or requiring any tax, assessment or imposition to be levied, assessed or charged, which law or regulation prohibits the Mortgagor from paying the tax, assessment, stamp, or imposition to or for the Mortgagee, then such event shall constitute an Event of Default hereunder and all sums hereby secured shall become immediately due and payable at the option of the Mortgagee.

G. Insurance. Mortgagor shall obtain, pay for and keep in full force and effect during the term of this Mortgage, at his sole cost and expense, the following policies of insurance:

(i) Insurance against loss by fire, lightning and risk customarily covered by standard extended coverage endorsement or all risks coverage, including the cost of debris removal, together with a full replacement cost endorsement and a vandalism and malicious mischief endorsement, all in the amounts of not less than (i) the full replacement cost of Improvements on the Premises or (ii) the original amount of the Loan, whichever is greater;

(ii) Broad Form Boiler and Machinery Insurance on all pressure fired vehicles or apparatus situated on the Premises with full repair and replacement cost coverage;

(iii) comprehensive general public liability insurance covering the legal liability of the Mortgagor against claims for bodily injury death or property damage occurring on, in or about the Premises in such amounts and with such limits as the Mortgagee may require; and

(iv) such other forms of insurance as Mortgagee may reasonably require.

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Such insurance policies shall be written on forms and with insurance companies satisfactory to Mortgagee, shall be in amounts sufficient to prevent the Mortgagor from becoming a co-insurer of any loss thereunder, shall insure the Mortgagee as its interests may appear, shall bear a satisfactory mortgagee clause in favor of the Mortgagee with loss proceeds under any such policies to be made payable to the Mortgagee, and shall require no less than ten (10) days notice to the Mortgagee prior to cancellation. All required policies of insurance or acceptable certificates thereof together with evidence of the payment of current premiums therefor shall be delivered to and be held by the Mortgagee. The Mortgagor shall, within thirty (30) days prior to the expiration of any such policy, deliver other original policies or certificates of the insurer evidencing the renewal of such insurance together with evidence of the payment of current premiums therefor. In the event of a trustee's sale of foreclosure of this Mortgage, or any acquisition of the Premises by the Mortgagee, all such policies and any proceeds payable therefrom, whether payable before or after a trustee's sale or foreclosure or the failure to obtain and keep any required insurance, the Mortgagor empowers the Mortgagee to effect the above insurance upon the Premises at Mortgagor's expense and for the benefit of the Mortgagee in the amounts and types aforesaid for a period of time covering the time of redemption from foreclosure sale, and if necessary therefore, to cancel any or all existing insurance policies. Annually Mortgagor agrees to cause its insurance coverage to be reappraised and furnish Mortgagee copies of the reappraisal reports and insurance recommendations.

The Mortgagor hereby irrevocably authorizes and empowers the Mortgagee, in its discretion, to settle, compromise and adjust any and all claims or rights under any insurance policy maintained by the Mortgagor relating to the Collateral; provided, however, that prior to the occurrence of any Event of Default, the Mortgagor shall have the right to settle, adjust and compromise such claims jointly with the Mortgagee. In the event of foreclosure of this Mortgage or other transfer of title to the Premises in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee. Nothing contained in this Mortgage shall create any responsibility or obligation on the Mortgagee to collect any amounts owing on any insurance policy or resulting from any condemnation, to rebuild or replace any damaged or destroyed Improvements or other Collateral or to perform any other act hereunder. The Mortgagee shall not by the fact of approving, disapproving, accepting, preventing, obtaining or failing to obtain any insurance, incur any obligations for or with respect to the amount of insurance carried, the form or legal sufficiency of insurance contracts, solvency of insurance companies, or payment or defense of lawsuits, and the Mortgagor hereby expressly assumes full responsibility therefor and all obligations, if any, with respect thereto.

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H. Escrows. Mortgagor shall deposit with the Mortgagee, or at Mortgagee's request, with its agent, on the first day of each and every month hereafter as a deposit to pay the costs of the Taxes:

- (a) Initially, a sum such that the amounts to be deposited pursuant to paragraph (b) below and such initial sum shall equal the estimated Taxes; and
- (b) Thereafter an amount equal to one-twelfth (1/12th) of the estimated annual Taxes due on the Premises.

Mortgagee will, upon the presentation to the Mortgagee by the Mortgagor of the bills therefor, pay the Taxes from such deposits or will upon presentation of receipted bills therefor, reimburse the Mortgagor for such payments made by the Mortgagor. In the event the deposits on hand shall not be sufficient to pay all of the estimated Taxes when the same shall become due from time to time, or the prior deposits shall be less than the currently estimated monthly amounts, then the Mortgagor shall pay to the Mortgagee on demand any amount necessary to make up the deficiency. The excess of any such deposits shall be credited to subsequent payments to be made for such items. If a default or an Event of Default shall occur under the terms of this Mortgage, the Mortgagee may, at its option, without being required so to do, apply any deposits on hand to the Obligations, in such order and manner as the Mortgagee may elect. When the Obligations have been fully paid, any remaining deposits shall be returned to the Mortgagor. All deposits are hereby pledged as additional security for the Obligations, shall be held for the purposes for which made as herein provided, may be held by Mortgagee or its agent and may be commingled with other funds of the Mortgagee, or its agent, shall be held without any allowance of interest thereon and shall not be subject to the decision or control of the Mortgagor. Neither Mortgagee nor its agent shall be liable for any act or omission made or taken in good faith. In making any payments, Mortgagee or its agent may rely on any statement, bill or estimate procured from or issued by the payee without inquiry into the validity or accuracy of the same. If the Taxes shown in the tax statement shall be levied on property more extensive than the Premises, then the amounts escrowed shall be based on the entire tax bill and Mortgagor shall have no right to require an apportionment and Mortgagee or its agent may pay the entire tax bill notwithstanding that such taxes pertain in part to other property and the Mortgagee shall be under no duty to seek a tax division or apportionment of the tax bill.

I. Eminent Domain. In case the Collateral, or any part or interest in any Thereof, is taken by condemnation, the Mortgagee is hereby irrevocably authorized and empowered to collect and receive all compensation and awards of any kind whatsoever (referred to collectively herein as "Condemnation Awards") which may be paid for any property taken or for damages to any property not taken (all of which the Mortgagor hereby assigns to the Mortgagee), and all Condemnation Awards so received shall be forthwith applied by the Mortgagee, as it may elect in its sole and unreviewable discretion, to the prepayment of the Loan Note or any other Obligations, or to the

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repair and restoration of any property so taken or damaged; provided, however, that with respect to any partial condemnation, if the Mortgagor shall demonstrate to the reasonable satisfaction of the Mortgagee that the Collateral can be restored to the condition required by this Mortgage and to at least its value and utility prior to the partial condemnation giving rise to such payment within 3 months after such partial condemnation, then any Condemnation Awards payable by reason of such partial condemnation shall be made available to the extent required, as determined by the Mortgagee in its reasonable discretion, for the repair or restoration of the Collateral not so taken, under the same conditions as those set forth with respect to application of insurance proceeds in Section G of this Article. The Mortgagor hereby empowers the Mortgagee, in the Mortgagee's absolute discretion without regard to the adequacy of its security, to settle, compromise and adjust any and all claims or rights arising under any condemnation or eminent domain proceeding relating to the Collateral or any portion thereof; provided, however, that prior to the occurrence of any Default or Event of Default, the Mortgagor shall have the right to settle, compromise and adjust such claims jointly with the Mortgagee.

J. Governmental Requirements. The Mortgagor will at all times fully comply with, and cause the Collateral and the use and condition thereof fully to comply with, all federal, state, county, municipal, local and other governmental statutes, ordinances, requirements, regulations, rules, orders and decrees of any kind whatsoever that apply or relate to the Mortgagor or the Collateral or the use thereof, and will observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits, privileges, franchises and concessions (including, without limitation, those relating to land use and development, landmark preservation, construction, access, water rights and use, noise and pollution) which are applicable to the Mortgagor or have been granted for the Collateral or the use thereof. Notwithstanding the foregoing, the Mortgagor shall have the right to diligently contest any such governmental requirement so long as the contest is in good faith, to the extent and as provided herein.

K. No Mechanics' Liens. The Mortgagor will not suffer any mechanic's, laborer's or materialmen's lien to be created or remain outstanding upon the Premises or any part thereof. Anything herein contained to the contrary notwithstanding, the Mortgagor shall not be deemed in default with respect to the provisions of this Section if the Mortgagor provides the Mortgagee with written notice of the Mortgagor's good faith intention to diligently contest such claim or lien (and the Mortgagor does so contest such claim or lien) at the Mortgagor's sole expense and to the extent and as permitted hereunder. The Mortgagor agrees to promptly deliver to the Mortgagee a copy of any notices that the Mortgagor receives with respect to any pending or threatened lien or the foreclosure thereof and to post such bond or collateral as deemed appropriate by Mortgagee to secure to payment of any such lien during the contest thereof.

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L. Continuing Priority. The Mortgagor will: pay such fees, taxes and charges, execute and file (at the Mortgagor's expense) such financing statements, obtain such acknowledgements or consents, notify such obligors or providers of services and materials and do all such other acts and things as the Mortgagee may from time to time request to establish and maintain a valid and perfected first and prior lien on and security interest in the Collateral and to provide for payment to the Mortgagee directly of all cash proceeds thereof, with the Mortgagee in possession of the Collateral to the extent it requests; maintain its residence at all times in the State of Illinois; notify Mortgagee in writing at least ten (10) Business Days in advance of any relocation of such residence within the State of Illinois; keep all of its books and records relating to the Collateral on the Premises or at such address; keep all tangible Collateral on the Premises except otherwise permitted herein or as the Mortgagee may otherwise consent in writing; and not collect any rents or the proceeds of any of the Leases or Intangibles more than thirty (30) days before the same shall be due and payable except as the Mortgagee may otherwise consent in writing.

M. Utilities. The Mortgagor will pay all utility charges incurred in connection with the Collateral and maintain all utility services available for use at the Premises.

N. Contract Maintenance; Other Agreements. The Mortgagor will, for the benefit of the Mortgagee, fully and promptly keep, perform and satisfy each obligation, condition, covenant and restriction affecting the Premises or imposed on the Mortgagor under any Contract for Sale, Contract for Construction, Lease, Intangible or other agreement between the Mortgagor and any third party relating to the Collateral so that there will be no default thereunder that is not cured within any applicable cure period provided therein and so that the persons (other than the Mortgagor) obligated thereon shall be and remain at all times obligated to perform for the benefit of the Mortgagee; and the Mortgagor will not permit to exist any condition, event or fact which could allow or serve as a basis or justification for any such person to avoid such performance.

O. No Assignments; Future Leases. The Mortgagor will not cause or permit any Contracts for Sale, or other contracts relating to transfer, in any manner, of any interest, other than a leasehold in the normal course of business, of the Premises, or any interest in the Premises or improvements thereof, to be assigned, transferred, conveyed, pledged or disposed of, to any person other than the Mortgagee without first obtaining the express written consent of the Mortgagee thereto. In addition, the Mortgagor shall not cause or permit all or any portion of or interest in the Premises or the Improvements to be leased (that word having the same meaning for purposes hereof as it does in the law of landlord and tenant) directly or indirectly to any person, except as follows: (i) pursuant to written leases approved by the Mortgagee in its sole and unreviewable discretion; or (ii) pursuant to written leases entered into when no Event of Default hereunder has occurred. Not later than five days after entering into any lease (or any amendment or modification of any

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or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. After any revocation of such power and upon request of the Mortgagee, the Mortgagor will, at its own expense, notify any parties obligated on any of the Rents, Leases, Contracts for Sale, Intangibles or other Collateral to make payment to the Mortgagee of the amounts due or to become due thereunder. The Mortgagee is authorized to endorse, in the name of the Mortgagor, any item, howsoever received by it, representing any payment on or other proceeds (including insurance proceeds) of any of the Collateral and to endorse and deliver, in the name of the Mortgagor, any instrument, chattel paper or other item of Collateral held by the Mortgagee hereunder, in connection with the sale or collection of Collateral.

R. Mortgagee's Performance. If the Mortgagor fails to pay or perform any of its obligations herein contained (including, without limitation, payment of expenses of foreclosure and court costs), then at any time after Mortgagee has given the Mortgagor ten (10) days' notice of its intention to do so and if Mortgagor fails fully to pay and perform such obligations within such ten-day period (but Mortgagee may act immediately, and need not wait ten days or any other period of time before acting, in an emergency or if there is imminent danger to life, safety or property or if Mortgagor has failed to obtain or maintain any insurance coverage required by this Mortgage), the Mortgagee may (but need not), as agent or attorney-in-fact of the Mortgagor, make any payment or perform (or cause to be performed) any obligation of the Mortgagor hereunder, in any form and manner deemed expedient by the Mortgagee, and any amount so paid or expended (plus reasonable compensation to the Mortgagee for its out-of-pocket and other expenses for each matter for which it acts under this Mortgage), with interest thereon at the rate applicable after maturity as provided in the Loan Note, shall be added to the principal debt hereby secured and shall be repaid to the Mortgagee upon demand. By way of illustration and not in limitation of the foregoing, the Mortgagee may (but need not) do all or any of the following: make payments of principal or interest or other amounts on any lien, encumbrance or charge on any of the Collateral; complete construction; make repairs; collect rents; prosecute collection of the Collateral or proceeds thereof; purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit, proceeding, title or claim thereof; contest any tax or assessment; and redeem from any tax sale or forfeiture affecting the Premises. In making any payment or securing any performance relating to any obligation of the Mortgagor hereunder, the Mortgagee shall (as long as it acts in good faith) be the sole judge of the legality, validity and amount of any lien or encumbrance and of all other matters necessary to be determined in satisfaction thereof. No such action of the Mortgagee shall ever be considered as a waiver of any right accruing to it on account of the occurrence of any matter which constitutes an Event of Default (defined hereinafter).

S. Subrogation. To the extent that the Mortgagee, on or after the date hereof, pays any sum due under any provision of law or any instrument or document creating any lien prior or superior to the lien

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of this Mortgage, or the Mortgagor or any other person pays any such sum with the proceeds of the Loan, the Mortgagee shall have and be entitled to a lien on the Collateral equal in priority to the lien discharged, and the Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit the Mortgagee in securing the Obligations. Without limiting the generality of the foregoing, and in addition thereto (rather than in limitation thereof), the Mortgagee shall be subrogated, notwithstanding their release of record, to: all mortgages, trust deeds, superior titles, vendors' liens, liens, charges, encumbrances, rights and equities on the Premises, to the extent that either (i) any obligation under any thereof is paid or discharged with proceeds of disbursements or advances under the Loan Note or of other indebtedness secured hereby or (ii) the release thereof was granted or delivered in complete or partial consideration for the granting of this Mortgage.

T. Hazardous Materials. The Mortgagor hereby represents and warrants that neither the Mortgagor nor, to the best knowledge of the Mortgagor, any other person has ever caused or permitted any Hazardous Material (as hereafter defined) to be placed, held, located or disposed of on, under or at the Premises or the Land or any part thereof or into the atmosphere or any watercourse, body of water or wetlands, or any other real property legally or beneficially owned (or any interest or estate in which is owned) by the Mortgagor (including, without limitation, any property owned by a land trust the beneficial interest in which is owned, in whole or in part, by the Mortgagor), and neither the Premises, the Land, any part of either thereof, nor any other real property legally or beneficially owned (or any interest or estate in which is owned) by the Mortgagor has ever been used (whether by the Mortgagor or, to the best knowledge of the Mortgagor, by any other person) as a treatment, storage or disposal (whether permanent or temporary) site for any Hazardous Material. Mortgagor hereby covenants that it will not cause or permit any Hazardous Material ever to be placed on or under, or to escape, leak, seep, spill or be discharged, emitted or released from, the Premises or any part thereof. Mortgagor hereby indemnifies the Mortgagee and agrees to hold the Mortgagee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever (including, without limitation, court costs and attorneys' fees) which at any time or from time to time may be paid, incurred or suffered by, or asserted against, the Mortgagee for, with respect to, or as a direct or indirect result of, (i) the presence on or under the Premises; or (ii) the escape, seepage, leakage, spillage, discharge, emission or release from, the Premises into or upon any land, the atmosphere, or any watercourse, body of water or wetland; of any Hazardous Material (all of which conditions and events are referred to herein as "Environmental Conditions"), including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any so-called "Superfund" or "Superlien" law, or any other Federal, state, local or other statute, law, ordinance, code, rule, regulation, order or decree

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regulating, relating to or imposing obligations or standards of conduct concerning any Hazardous Material; and the provisions of and undertakings and indemnification set out in this sentence shall survive the satisfaction and release of this Mortgage and the payment and satisfaction of the Obligations, and shall continue to be the personal obligation and indemnification of the Mortgagor, binding upon the Mortgagor, forever. The provisions of the preceding sentence shall govern and control over any inconsistent provision of this Mortgage or any other of the Loan Documents; and provided, further, that such indemnification shall not apply with respect to any losses, obligations, damages, injuries, costs, expenses or claims arising with respect to, or as a direct or indirect result of, any Environmental Condition which was not present or existing prior to such time, if any, as the Mortgagee acquires title to the Premises (whether by foreclosure, or deed-in-lieu of foreclosure). Anything in Article III, Section G of this Mortgage to the contrary notwithstanding, the provisions of this Section T shall inure only to the benefit of any successors and assigns of the Mortgagee in its capacity as Mortgagee hereunder. Mortgagor hereby irrevocably grants to Mortgagee and its successors, assigns, agents, contractors and representatives the right and a license, at any time and from time to time after the occurrence of an Event of Default, to enter upon the Premises and to conduct such inspection and tests as Mortgagee may consider appropriate to ascertain whether any Hazardous Materials are upon, within or under the Premises, the nature and extent of all such Hazardous Materials and appropriate means for removing the same. For purposes of this Mortgage, "Hazardous Material" means and includes any hazardous substance or any pollutant or contaminant defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, or any other Federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing obligations or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect, or any other hazardous, toxic or dangerous, waste, substance or material (including, without limitation, asbestos and poly-chlorinated biphenyls).

IV. DEFAULT; REMEDIES

The Mortgagor and the Mortgagee hereby agree further as follows:

A. Defaults; Acceleration. The occurrence of any of the following shall constitute an "Event of Default" hereunder:

(1) any Event of Default under the Sales Agreement, the Loan Note, or any of the Loan Documents;

(2) damage to, or the destruction of, all or any substantial part of the Premises, unless there is in effect insurance coverage which, in the Mortgagee's judgment, will be sufficient fully to pay all costs of completely replacing and

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restoring the same, and the insurer has acknowledged in writing the Mortgagee's interest thereunder as an additional insured and a loss payee;

(3) the commencement of proceedings for the condemnation, or taking by eminent domain, of all or any substantial part of the Premises, unless the Mortgagee has been allowed to join as a party in any action for compensation or damages relating thereto and in any settlement negotiations relating thereto;

(4) the failure of Mortgagor to fully and timely perform and observe any action required to be performed or observed by Mortgagor pursuant to the terms and conditions of this Mortgage.

(5) Upon the filing of voluntary or involuntary bankruptcy proceedings against Mortgagor, assignment for the benefits of the Mortgagor's creditors, a declaration by Mortgagor of his inability to pay his debts as they become due, or the failure of Mortgagor to pay his debts as they become due.

Upon the occurrence of any Event of Default, the entire indebtedness evidenced by the Loan Note and all other Obligations, together with interest thereon at the rate applicable after maturity as provided in the Loan Note, shall, at the option of the Mortgagee, notwithstanding any provisions thereof and without demand or notice of any kind to the Mortgagor or to any other person, become and be immediately due and payable.

B. Remedies Cumulative. No remedy or right of the Mortgagee hereunder or under the Loan Note, or any other Loan Documents or otherwise, or available under applicable law, shall be exclusive of any other right or remedy, but each such remedy or right shall be in addition to every other remedy or right now or hereafter existing under any such document or under applicable law. No delay in the exercise of, or omission to exercise, any remedy or right accruing on any Event of Default shall impair any such remedy or right or be construed to be a waiver of any such Event of Default or an acquiescence therein, nor shall it affect any subsequent Event of Default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by the Mortgagee. All obligations of the Mortgagor, and all rights, powers and remedies of the Mortgagee, expressed herein shall be in addition to, and not in limitation of, those provided by law or in the Loan Note or the Loan Documents or any other written agreement or instrument relating to any of the Obligations or any security therefor.

C. Possession of Premises; Remedies under Mortgage. The Mortgagor hereby waives all right to the possession, income, and rents of the Premises from and after the occurrence of any Event of Default, and the Mortgagee is hereby expressly authorized and empowered, at and following any such occurrence, to enter into and upon and take possession of the Premises or any part thereof, to complete any construction in progress thereon at the expense of the Mortgagor, to

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lease the same, to collect and receive all Rents and to apply the same, less the necessary or appropriate expenses of collection thereof, either for the care, operation and preservation of the Premises or, at the election of the Mortgagee, in addition to the rights provided hereunder, in its sole and unreviewable discretion, to a reduction of such of the Obligations in such order as the Mortgagee may elect. From and after the occurrence of any Event of Default the Mortgagee, in addition to the rights provided hereunder, is also hereby granted full and complete authority to enter upon the Premises, employ watchmen to protect the Goods and Improvements from depredation or injury and to preserve and protect the Collateral, and to continue any and all outstanding contracts for the erection and completion of Improvements to the Premises, to make and enter into any contracts and obligations wherever necessary in its own name, and to pay and discharge all debts, obligations and liabilities incurred thereby, all at the expense of the Mortgagor. All such expenditures by the Mortgagee shall be Obligations under this Mortgage for all purposes. Upon the occurrence of any Event of Default, the Mortgagee may also exercise any or all rights or remedies hereunder including, without limitation, disbursement of the undisbursed balance of the Loan Note to complete buildings and improvements or perform obligations of the Mortgagor under any Contract for Sale.

D. Foreclosure Receiver. Upon the occurrence of any Event of Default, the Mortgagee shall also have the right, immediately or at any time thereafter (in Mortgagee's sole discretion), to foreclose this Mortgage. Upon the filing of any complaint for that purpose, the court in which such complaint is filed may, upon application of the Mortgagee or at any time thereafter, either before or after foreclosure sale, and without notice to the Mortgagor or to any party claiming under the Mortgagor and without regard to the solvency or insolvency at the time of such application of any person then liable for the payment of any of the Obligations, without regard to the then value of the Premises or whether the same shall then be occupied, in whole or in part, as a homestead, by the owner of the equity of redemption, and without regarding any bond from the complainant in such proceedings, appoint a receiver for the benefit of the Mortgagee, with power to take possession, charge, and control of the Premises, to lease the same, to keep the buildings thereon insured and in good repair, and to collect all Rents during the pendency of such foreclosure suit and during any period from the end of the redemption period up to and including the date which is thirty (30) days after the confirmation of sale. The court may, from time to time, authorize said receiver to apply the net amounts remaining in his hands, after deducting reasonable compensation for the receiver and his counsel as allowed by the court, in payment (in whole or in part) of any or all of the Obligations, including without limitation the following, in such order of application as the Mortgagee in its sole and unreviewable discretion may elect: (i) amounts due upon the Loan Note, (ii) amounts due upon any decree entered in any suit foreclosing this Mortgage, (iii) costs and expenses (including, without limitation, attorneys' fees and expenses) of foreclosure and litigation upon the Premises, (iv) insurance premiums, repairs, taxes, special assessments, water charges and interest, penalties and costs,

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in connection with the Premises, (v) any other lien or charge upon the Premises that may be or become superior to the lien of this Mortgage, or of any decree foreclosing the same and (vi) all moneys advanced by the Mortgagee to cure or attempt to cure any default by the Mortgagor in the performance of any obligation or condition contained in the Loan Documents or this Mortgage or otherwise, to protect the security hereof provided herein, or in any of the Loan Documents, with interest on such advances at the interest rate applicable after maturity under the Loan Note. The overplus of the proceeds of sale, if any, shall then (to the fullest extent permitted by applicable law) be paid to the Mortgagor upon its written request (and, if not permitted by law to be paid to the Mortgagor, such overplus shall be paid and applied as required by applicable law). This Mortgage may be foreclosed once against all, or successively against any portion or portions, of the Premises, as the Mortgagee may elect, until all of the Premises have been foreclosed against and sold. In case of any foreclosure of this Mortgage (or the commencement of or preparation therefor) in any court, all expenses of every kind paid or incurred by the Mortgagee for the enforcement, protection or collection of this security, including court costs, reasonable attorneys' fees, stenographers' fees, costs of advertising, and costs of title insurance and any other documentary evidence of title, shall be paid by the Mortgagor.

E. Remedies for Leases and Rents. If any Event of Default shall occur, then, whether before or after institution of legal proceedings to foreclose the lien of this Mortgage or before or after the sale thereunder, the Mortgagee shall be entitled, in its discretion, to do all or any of the following: (i) enter and take actual possession of the Premises, the Rents, the Leases and other Collateral relating thereto or any part thereof personally, or by its agents or attorneys, and exclude the Mortgagor therefrom; (ii) with or without process of law, enter upon and take and maintain possession of all of the documents, books, records, papers and accounts of the Mortgagor relating thereto; (iii) as attorney-in-fact or agent of the Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the Premises, the Rents, the Leases and other Collateral relating thereto and conduct the business, if any, thereof either personally or by its agents, contractors or nominees, with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment of the Rents, the Leases and other Collateral relating thereto (including actions for the recovery of rent, actions in forcible detainer and actions in distress of rent); (iv) cancel or terminate any Lease or sublease for any cause or on any ground which would entitle the Mortgagor to cancel the same; (v) elect to disaffirm any Lease or sublease made subsequent hereto or subordinated to the lien hereof; (vi) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments and improvements to the Premises that, in its discretion, may seem appropriate; (vii) insure and reinsure the Collateral for all risks incidental to the Mortgagee's possession, operation and management thereof; and (viii) receive all such Rents and proceeds, and perform such other acts in connection with the management and operation of the

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Collateral, as the Mortgagee in its discretion may deem proper, the Mortgagor hereby granting the Mortgagee full power and authority to exercise each and every one of the rights, privileges and powers contained herein at any and all times after any Event of Default without notice to the Mortgagor or any other person. The Mortgagee, in the exercise of the rights and powers conferred upon it hereby, shall have full power to use and apply the Rents to the payment of or on account of the following, in such order as it may determine: (a) to the payment of the operating expenses of the Premises, including the cost of management and leasing thereof (which shall include reasonable compensation to the Mortgagee and its agents or contractors, if management be delegated to agents or contractors, and it 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; (b) to the payment of taxes, charges and special assessments, the costs of all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Collateral, including the cost from time to time of installing, replacing or repairing the Collateral, and of placing the Collateral in such condition as will, in the judgment of the Mortgagee, make it readily rentable; and (c) to the payment of any Obligations.

F. Personal Property. With respect to any of the Collateral which is personal property under applicable law, whenever there exists any Event of Default hereunder, the Mortgagee may exercise from time to time any rights and remedies available to it under applicable law upon default in payment of indebtedness. The Mortgagor shall, promptly upon request by the Mortgagee, assemble such Collateral and make it available to the Mortgagee at such place or places, reasonably convenient for both the Mortgagee and the Mortgagor, as the Mortgagee shall designate. Any notification required by law of intended disposition by the Mortgagee of any of such Collateral shall be deemed reasonably and properly given if given at least five days before such disposition. Without limiting the foregoing, whenever there exists an Event of Default hereunder, the Mortgagee may, with respect to so much of the Collateral as is personal property under applicable law, to the fullest extent permitted by applicable law, without further notice, advertisement, hearing or process of law of any kind, (i) notify any person obligated on the Collateral to perform directly for the Mortgagee its obligations thereunder, (ii) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto, (iii) endorse any checks, drafts or other writings in the name of the Mortgagor to allow collection of the Collateral, (iv) take control of any proceeds of the Collateral, (v) enter upon any real estate where any of the Collateral may be located and take possession of and remove such Collateral, (vi) sell any or all of the Collateral, free of all rights and claims of the Mortgagor therein and thereto, at any public or private sale, and (vii) bid for and purchase any or all of the Collateral at any such sale. Any proceeds of any disposition by the Mortgagee of any of the Collateral may be applied by the Mortgagee to

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the payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds shall be applied by the Mortgagee toward the payment of such of the Obligations and in such order of application as the Mortgagee may from time to time, in its sole and unreviewable discretion, elect. The Mortgagee may exercise from time to time any rights and remedies available to it under the Uniform Commercial Code or other applicable law as in effect from time to time or otherwise available to it under applicable law. The Mortgagor hereby expressly waives presentment, demand, notice of dishonor, protest and notice of protest in connection with the Loan Note and, to the fullest extent permitted by applicable law, any and all other notices, demands, advertisements, hearings or process of law in connection with the exercise by the Mortgagee of any of its rights and remedies hereunder. The Mortgagor hereby constitutes the Mortgagee its attorney-in-fact with full power of substitution to take possession of the Collateral upon any Event of Default and, as the Mortgagee in its sole discretion deems necessary or proper, to execute and deliver all instruments required by the Mortgagee to accomplish the disposition of the Collateral; this power of attorney is a power coupled with an interest and is irrevocable while any of the Obligations are outstanding.

G. Performance of Contracts. The Mortgagee may, in its sole discretion at any time after the occurrence of an Event of Default, notify any person obligated to the Mortgagor under or with respect to any Intangible, any Contract for Sale or any Contract for Construction of the existence of an Event of Default, require that performance be made directly to the Mortgagee at the Mortgagor's expense, and advance such sums as are necessary or appropriate to satisfy the Mortgagor's obligations thereunder; and the Mortgagor agrees to cooperate with the Mortgagee in all ways reasonably requested by the Mortgagee (including the giving of any notices requested by, or joining in any notices given by, the Mortgagee) to accomplish the foregoing.

H. No Obligation on Mortgagee. Notwithstanding anything contained in this Mortgage, the Mortgagee shall not be obligated to perform or discharge, and does not undertake to perform or discharge, any obligation, duty or obligation of the Mortgagor, whether under this Mortgage, under any of the Leases, under any Intangible, under any Contract for Construction, under any Contract for Sale or otherwise, and the Mortgagor shall and does hereby agree to indemnify against and hold the Mortgagee harmless of and from: any and all liabilities, losses or damages which the Mortgagee may incur or pay under or with respect to any of the Collateral 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 obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any of the Collateral or in any of the contracts, documents or instruments evidencing or creating any of the Collateral. The 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, injury or death to any tenant, licensee, employee,

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stranger or other person. No obligation shall be enforced or asserted against the Mortgagee in its exercise of the powers herein granted to it, and the Mortgagor expressly waives and releases any such obligation. Should the Mortgagee incur any such obligation, loss or damage under any of the Leases or under or by reason hereof, or in the defense of any claims or demands, the Mortgagor agrees to reimburse the Mortgagee immediately upon demand for the full amount thereof, including costs, expenses and reasonable attorneys' fees.

V. GENERAL

A. Permitted Acts. The Mortgagor agrees that, without affecting or diminishing in any way the obligation of the Mortgagor or any other person (except any person expressly released in writing by the Mortgagee) for the payment or performance of any of the Obligations or for the performance of any obligation contained herein or affecting the lien hereof upon the Collateral or any part thereof, the Mortgagee may at any time and from time to time, without notice to or the consent of any person, do any or all of the following: release any person liable (whether directly or indirectly, primarily or secondarily, or otherwise) for the payment or performance of any of the Obligations; extend the time for, or agree to alter the terms of payment of, any indebtedness under the Loan Note or any of the Obligations; modify or waive any obligation or performance; subordinate, modify or otherwise deal with the lien hereof; accept additional security of any kind; release any Collateral or other property securing any or all of the Obligations; make releases of any portion of the Premises; consent to the making of any map or plat of the Premises; consent to the creation of a condominium regime on all or any part of the Premises or the submission of all or any part of the Premises to the provisions of the Illinois Condominium Act or any similar provisions of law, or to the creation of any easements on the Premises or of any covenants restricting the use or occupancy thereof; or exercise or refrain from exercising, or waive, any right the Mortgagee may have.

B. Suits and Proceedings. The Mortgagor agrees to indemnify the Mortgagee, and hold the Mortgagee harmless, from and against any and all losses, damages, costs, expenses and claims of any kind whatsoever (including, without limitation, reasonable attorneys' fees) which the Mortgagee may pay or incur in connection with any suit or proceeding in or to which the Mortgagee may be made or become a party, which suit or proceeding does or may affect all or any portion of the Collateral or the value, use or operation thereof or this Mortgage or the validity, enforceability, lien or priority hereof or of any of the Obligations or indebtedness secured hereby.

C. Mortgage; Future Advances; Partial Release. All advances and indebtedness arising or accruing under or pursuant hereto from time to time whether or not the total amount thereof may exceed the face amount of the Loan Note, shall be secured hereby to the same extent as though such amounts were fully incorporated in this Mortgage. If there shall be any inconsistency between provisions of this Mortgage

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or any other Related Document, this Mortgage shall control. The Mortgagor and Mortgagee intend and agree that the indebtedness secured hereby may from time to time increase and decrease as provided herein. The Mortgagor and the Mortgagee further expressly agree that should all monies advanced to the Mortgagor be totally repaid and the balance owing to the Mortgagee be reduced to zero at any time or from time to time, this Mortgage shall not become null and void by operation of law or otherwise, but shall remain in full force and effect and shall retain its priority position of record until all obligations of the Mortgagee to make any disbursements to or for the benefit of the Mortgagor and the full payment and satisfaction of the Obligations.

D. Security Agreement and Financing Statement. This Mortgage, to the extent that it conveys, grants a security interest in, or otherwise deals with personal property or with items of personal property which are or may become fixtures, shall also be construed as a security agreement, and also as a financing statement, under the Uniform Commercial Code as in effect in the State of Illinois, with the Mortgagor as debtors (with its respective address as set forth above) and with the Mortgagee as secured party (with its address as set forth above).

E. Defeasance. Upon full payment of all indebtedness secured hereby and full payment, performance and satisfaction of all the Obligations in accordance with their respective terms and at the time and in the manner provided, this conveyance shall be null and void, and thereafter, upon demand therefor, an appropriate instrument of quitclaim reconveyance or release shall within a reasonable time be made by the Mortgagee to the Mortgagor (but the Mortgagor's undertakings and agreements set out in Article I, Section T above shall survive any such reconveyance or release as provided therein).

F. Notices. Each notice, demand or other communication in connection with this Mortgage shall be in writing and shall be deemed to be given to and served upon the addressee thereof on the first to occur of (i) actual delivery to such addressee or (ii) the fifth Business Day (as defined in the Loan Note) after the deposit thereof in the United States mail, certified mail, first-class postage prepaid, in both such cases addressed to such addressee at its address set out above. By notice complying with this section, any party may from time to time designate a different address in Cook County, Illinois, as its address for the purpose of the receipt of notices hereunder. All notices to Mortgagee shall also be sent to Katz, Karacic, Helmin & Addis, P.C., Attention: Lauane C. Addis, 180 North LaSalle Street, Suite 3001, Chicago, Illinois 60601.

G. Successors; The Mortgagor; Gender. All provisions hereof shall inure to and bind the parties and their respective successors, vendees and assigns provided, however, that the foregoing shall not in any way limit, restrict or modify the provisions of Article I. The word "Mortgagor" shall include all persons claiming under or through the Mortgagor and all persons liable for the payment or performance of any of the Obligations whether or not such persons shall have

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executed the Loan Note or this Mortgage. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

H. Care by the Mortgagee. The Mortgagee shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as the Mortgagor requests in writing, but failure of the Mortgagee to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Mortgagee to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Mortgagor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

I. No Obligation on Mortgagee. This Mortgage is intended only as security for the Obligations. Anything herein to the contrary notwithstanding (i) the Mortgagor shall be and remain liable under and with respect to the Collateral to perform all of the obligations assumed by it under or with respect to each thereof, (ii) the Mortgagee shall have no obligation or liability under or with respect to the Collateral by reason or arising out of this Mortgage and (iii) the Mortgagee shall not be required or obligated in any manner to perform or fulfill any of the obligations of the Mortgagor under, pursuant to or with respect to any of the Collateral.

J. No Waiver by the Mortgagee; Writing. No delay on the part of the Mortgagee in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Mortgagee of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. No amendment, waiver or supplement in any way affecting this Mortgage shall in any event be effective unless set out in a writing signed by the Mortgagee.

K. Governing Law; Severability; Section Headings. This Mortgage has been executed and delivered at Chicago, Illinois, and shall be construed in accordance with and governed by the laws of the State of Illinois. Whenever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity only, without invalidating the remainder of such provision or the remaining provisions of this Mortgage, it being the parties' intention that this Mortgage and each provision hereof be effective and enforced to the fullest extent permitted by applicable law. The Section headings used herein are for convenience of reference only, and shall not be deemed to be a part of this Mortgage or be considered in the interpretation, or construction thereof.

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L. Waiver. The Mortgagor, on behalf of itself and all persons now or hereafter interested in the Premises or the Collateral, voluntarily and knowingly hereby: acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 et seq., herein the "Act"), or residential real estate (as defined in the Act); waives, to the fullest extent permitted by applicable law, any and all rights to reinstatement or redemption and any and all other rights and benefits under all present and future appraisement, homestead, moratorium, valuation, exemption, stay, extension, redemption and marshalling statutes, laws or equities now or hereafter existing, and agrees that no defense, claim or right based on any thereof will be asserted, or may be enforced, in any action enforcing or relating to this Mortgage or any of the Collateral. Without limiting the generality of the preceding sentence, the Mortgagor, on its own behalf and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date of this Mortgage, hereby irrevocably waives any and all rights of reinstatement or redemption from sale or from or under any order, judgment or decree of foreclosure of this Mortgage or under any power contained herein or under any sale pursuant to any statute, order, decree or judgment of any court.

M. No Merger. It being the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Premises, it is hereby understood and agreed that should the Mortgagee acquire an additional or other interests in or to the Premises or the ownership thereof, then, unless a contrary intent is manifested by the Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

N. Mortgagee Not a Joint Venturer or Partner. The Mortgagor and the Mortgagee acknowledge and agree that in no event shall the Mortgagee be deemed to be a partner or joint venturer with the Mortgagor. Without limitation of the foregoing, the Mortgagee shall not be deemed to be such 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 Obligations secured hereby, or otherwise.

O. Compliance with Illinois Mortgage Foreclosure Law.

(1) If any provision of this Mortgage is inconsistent with any applicable provision of the Act (as defined above), the provisions of the Act shall take precedence over the provisions of this Mortgage,

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but shall not invalidate or render unenforceable any other provision of this Mortgage that can fairly be construed in a manner consistent with the Act.

(2) Without in any way limiting or restricting any of Mortgagee's rights, remedies, powers and authorities under this Mortgage, and in addition to all of such rights, remedies, powers, and authorities, the Mortgagee shall also have and may exercise any and all rights, remedies, powers and authorities which the holder of a mortgage is permitted to have or exercise under the provisions of the Act, as the same may be amended from time to time. If any provision of this Mortgage shall grant to Mortgagee any rights, remedies, powers or authorities upon default of the Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with all of the rights, remedies, powers and authorities granted in the Act to the fullest extent permitted by law.

(3) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in any other provision of this Mortgage, shall be added to the indebtedness secured by this Mortgage and by the judgment of foreclosure.

P. **JURY TRIAL.** THE MORTGAGOR HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS MORTGAGE OR ANY RELATED DOCUMENT TO WHICH IT IS A PARTY, OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH OR ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE OR ANY RELATED DOCUMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

IN WITNESS WHEREOF, the undersigned has executed this Mortgage at Chicago, Illinois, on the day and year first above written pursuant to proper authority duly granted.


Thomas M. Fencil

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STATE OF ILLINOIS)) SS
COUNTY OF COOK))

I, Laune C. Addis, a Notary Public in and for said County, in the state aforesaid, do hereby certify that Thomas M. Fencil, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth, including the release and wavier of the right of homestead.

Given under my hand and notarial seal this 25th day of October, 1995.

~~~~~  
"OFFICIAL SEAL"  
Laune C. Addis  
Notary Public, State of Illinois  
My Commission Expires 06/13/98  
~~~~~

Laune C. Addis
Notary Public

180 N. LaSalle, Suite 3001
Business Address

Chicago, Illinois 60601

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95743825

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95710001

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EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

Lot 3 in Jarrell's Resubdivision of Lot 1 and the North half of Lot 2 in Block 2 in Argyle, in the South East quarter of Section 8, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PERMANENT INDEX NUMBER: 14-08-401-002

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