

# UNOFFICIAL COPY

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COOK COUNTY RECORDER

## MORTGAGE AND ASSIGNMENT OF RENTS AND LEASES

THIS MORTGAGE (the "Mortgage") is given as of January 17, 1995, by FRIENDSHIP MOTELS OF LANSING, INC., an Illinois Corporation, (the "Mortgagor") to AMERICAN SAVINGS, FSB, a United States Corporation, (the "Mortgagee"),

WHEREAS, FRIENDSHIP MOTELS OF LANSING, INC., an Illinois Corporation, is justly indebted to Mortgagee in the principal sum of Seven Hundred Fifty Thousand and no/100 Dollars (\$750,000.00), evidenced by that certain Note of Mortgagor of even date herewith, made payable to the order of and delivered to Mortgagee, in and by which Note Mortgagor promises to pay the principal sum together with interest thereon (such note and any and all notes issued in renewal thereof or in substitution or replacement therefor are hereinafter referred to as the "Note").

WHEREAS, each installment shall be paid at 8230 Hohman Ave., Munster, Indiana, 46321.

WHEREAS, the obligation of Mortgagor has been guaranteed by certain Guarantors shown at Exhibit A attached hereto.

WHEREAS, this Mortgage secures to Mortgagee: (a) the repayment of the debt evidenced by the Note, with interest and all renewals, extensions and modifications thereof, (b) the payment of all other sums with interest advanced for any reason deemed necessary by Mortgagee to protect the security of this Mortgage, (c) the performance of covenants and agreements under this Mortgage and the Note, and (d) all obligations of Mortgagor under the Security Agreement, and the covenants in the Loan Commitment letter dated August 29, 1994, the terms of which are incorporated herein by reference. For this purpose, Mortgagor does hereby MORTGAGE, GRANT and CONVEY to Mortgagee the following described property located in Cook County, Illinois:

That part lying north of the North Line of Tri State Highway of the East 1/2 of Lot 3 of subdivision of North 50 acres of the West 1/2 of the Southeast 1/4, and the East 1/2 of the Southwest 1/4 of Section 25, Township 36 North, Range 14, East of the Third Principal Meridian (except from the East 1/2 of the Southwest 1/4 of said Section 25, 20 acres described as follows: Commencing at the Southwest corner of the East 1/2 of the Southwest 1/4 of said Section 25, thence running East 6.16 chains, thence North 32.47 chains, thence West 6.16 chains, thence South 32.47 chains to the place of beginning) as per plat recorded in Recorder's Office of Cook County, Illinois, on April 19, 1992, as Document 1647103 in Cook County, Illinois, commonly known as 2151 Bernice Road, Lansing, Illinois (the "Property Address")

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is referred to in this Mortgage as the "Property".

Mortgagor COVENANTS that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Mortgagor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

Mortgagor and Mortgagee covenant and agree as follows:

- 1. Payment of Principal and Interest, Prepayment and Late Charges.** Mortgagor shall cause the principal of and interest of the debt evidenced by the Note to be paid when due, including any prepayment and late charges due under the Note.
- 2. Application of Payments.** Unless applicable law provides otherwise, all payments received by Mortgagee under paragraph 1 shall be applied: first, to late charges due under the Note; second, to interest due; and last, to principal due.
- 3. Prepayment.** Privilege is reserved by the Mortgagor to prepay all or any portion of the unpaid balance with accrued interest thereon, without penalty.
- 4. Charges; Liens.** Mortgagor shall cause to be paid all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Mortgage, and leasehold payments or ground rents, if any. Mortgagor shall promptly furnish to Mortgagee all notices of amounts to be paid under this paragraph. If Mortgagor makes these payments directly, Mortgagor shall promptly furnish to Mortgagee receipts evidencing the payments.

AFTER RECORDING RETURN TO:

AMERICAN SAVINGS, FSB  
8230 Hohman Avenue  
Munster, Indiana 46321

PERMANENT REAL ESTATE TAX  
IDENTIFICATION NO.

29-25-40-049

PROPERTY ADDRESS:  
2151 Bernice Road,  
Lansing, Illinois 60438

BOX 333-CT1

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Mortgagor shall promptly discharge any lien which has priority over this Mortgage, unless Mortgagor: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Mortgagee; (b) contests in good faith the lien by, or defends against enforcement of lien in, legal proceedings which in the Mortgagee's opinion operate to prevent the enforcement of the lien or opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Mortgagee subordinating the lien to this Mortgage. If Mortgagee determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, Mortgagee may give Mortgagor a notice identifying the lien. Mortgagor shall cause the lien to be satisfied or take one or more of the actions set forth above within 10 days of the giving of notice.

5. **Hazard Insurance.** Mortgagor shall keep all buildings and improvements now or hereafter situated on said Property insured against loss or damage by fire, lightning and such other risks and hazards as are insurable under the present and future forms of all-risk insurance policies, providing for payment by the insurance companies of moneys sufficient to pay the greater of either the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby, all in companies satisfactory to the Mortgagee, under insurance policies payable, in case of loss or damage, to Mortgagee, such rights to be evidenced by the standard mortgagee clause to be attached to each policy, and shall deliver all policies, including additional and renewal policies, to Mortgagor, and in case of insurance about to expire, shall deliver renewal policies not less than ten (10) days prior to the respective dates of expiration. All policies of insurance shall contain a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to the Mortgagor. If the policies of insurance referenced herein contain a co-insurance clause or provision, Mortgagor agrees to maintain insurance coverage which is at all times in compliance with said clause or provision. If now or hereafter required, Mortgagor agrees to maintain flood insurance and furnish Mortgagee with evidence thereof.

6. **Preservation and Maintenance of Property; Leaseholds.** Mortgagor shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste.

7. **Protection of Mortgagee's Rights in the Property.** If Mortgagor fails to perform the covenants and proceeding that may significantly affect the Mortgagee's rights in the Property (such as a proceedings in bankruptcy, probate, for condemnation or to enforce laws or regulations), the Mortgagee may do and pay for whatever is necessary to protect the value of the Property and mortgagee's rights in the Property. Mortgagee's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in Court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Mortgagee may take action under this paragraph 7, Mortgagee is not obligated to do so. Any amounts disbursed by Mortgagee under this paragraph 7 shall become additional debt of Mortgagor secured by this Mortgage. Unless Mortgagor and Mortgagee agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the then in effect Note rate and shall be payable, with interest, upon notice from Mortgagee and Mortgagor requesting pay.

8. **Assignment of Leases and Rents.** (a) Mortgagor does hereby sell, assign, transfer and set over unto Mortgagee all right, title and interest of Mortgagor in and to all rents, issues, revenues, and profits of the Premises, together with all right, title and interest of Mortgagor in and to any other leases or occupancy agreements which may be hereafter entered into for all or any portion of the Premises (collectively, the "Leases"), and any and all extensions and renewals thereof, and including any security deposits or interests therein now or hereafter held by Mortgagor and the benefit of any guarantees executed in connection with any of the Leases. This Assignment is absolute and is effective immediately; however, until notice is sent by Mortgagee to the Mortgagor in writing that an event of default has occurred under the Note or under any Loan document (each such notice is hereinafter referred to as the "Notice"), Mortgagor may receive, collect and enjoy the rents, income and profits accruing from the Premises.

(b) **Default.** Upon, or at any time after, default in the payment of any indebtedness secured hereby or in the performance of any obligation, covenant, or agreement herein or any of the Loan documents or in the event of default under any of the Loan documents, Mortgagee may, at its option, from and after the Notice and expiration of applicable period of grace, if any, and without regard to the adequacy of the security for the indebtedness hereby secured, either in person, or by agent with or without bringing any action or proceeding, or by receiver to be appointed by a court, enter upon, take possession of, manage and operate the Premises or any part thereof, and do any acts which Mortgagee deems proper to protect the security hereof; and, either with or without taking possession of said Premises, in the name of Mortgagor or in its own name sue for and otherwise collect and receive such rents, issues, profits, and advances, including those past due and unpaid, and apply the same, less 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 said Premises or the collection of such rents, issues, profits and advances and the application thereof, as aforesaid, shall not cure or waive any default under the Loan documents or the Note. Mortgagor agrees that it shall facilitate in all reasonable ways Mortgagee's collection of said rents,

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and shall, upon request by Mortgagee, promptly execute a written notice to each lessee, if applicable, directing the lessee to pay rent to Mortgagee.

(c) **Mortgagee's Right to Exercise Remedies.** No remedy conferred upon or reserved to Mortgagee herein or in the Loan documents or the Note or, in any other agreement, is intended to be exclusive of any other remedy or remedies, and each and every such remedy, and all representations herein and in the Note or the Loan Documents, contained shall be cumulative and concurrent, and shall be in addition to every other remedy given hereunder and thereunder or now or hereafter, existing at law or in equity or by statute. The remedies may be pursued singly, successively or together, against the Mortgagor, and/or the Premises at the sole discretion of Mortgagee. No delay or omission of Mortgagee to exercise any right or power accruing upon any default shall impair any such right or power, accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or any acquiescence therein, and every power and remedy given by this Assignment to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee.

9. **Inspection.** Mortgagee or its agent may take reasonable entries upon and inspection of the Property. Mortgagee shall give Mortgagor notice at the time of or prior to an inspection, specifying reasonable cause for the inspection.

10. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid by Mortgagee.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Mortgagor. In the event of a partial taking of the Property, unless Mortgagor and Mortgagee otherwise agree in writing, the sums secured by this Mortgage shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Mortgagor.

If the Property is abandoned by Mortgagor, or if, after notice by Mortgagee to Mortgagor that the condemnor offers to make an award or settle a claim for damages, Mortgagor fails to respond to Mortgagee within thirty (30) days after the date of notice is given, Mortgagee is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or the sums secured by this Mortgage, whether or not then due.

Unless Mortgagee and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph 1 or change the amount of such payments.

11. **Extensions of Time; Forbearance By Mortgagor Not a Waiver.** Extension of time for payment or modification of amortization of the sums secured by this Mortgage granted by Mortgagee to any successor in interest of any one obligated under the Note nor operate to release the liability of such person or such person's successors in interest. Mortgagee shall not be required to commence proceedings against any successors in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original party obligated under the Note or such parties' successors in interest. Any forbearance by Mortgagee in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. **Successors and Assigns Bound; Joint and Several Liability.** The covenants and agreements of the Mortgage shall bind and benefit the successors and assigns of Mortgagee and Mortgagor, subject to the provisions of paragraph 17. Mortgagor's covenants and agreements shall be joint and several.

13. **Loan Charges.** If the loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Mortgagor which exceeded permitted limits will be refunded to Mortgagor. Mortgagee may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Mortgagor. If a refund reduced principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. **Legislation Affecting Mortgagee's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, Mortgagee, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by paragraph 20.

15. **Notices.** Any notice to Mortgagor provided for in this Mortgage shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Mortgagor designates by notice to Mortgagee. Any notice to Mortgagee shall be given by first class mail to Mortgagee's address stated herein or any other address Mortgagee designates by notice to Mortgagor. Any notice provided for in this:

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Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given as provided in this paragraph.

16. **Governing Law; Severability.** This Mortgage shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause in this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given without the conflicting provision. To this end the provisions of this Mortgage and the Note are declared to be severable.

17. **Transfer of the Property or a Beneficial Interest by Mortgagor.** If all or any part of the Property or any interest in it is sold or transferred (including a transfer to an Illinois land trust) without Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Mortgagee if exercise is prohibited by federal law as of the date of this Mortgage.

If Mortgagor exercises this option, Mortgagee shall give Mortgagor notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Mortgagor must pay all sums secured by this Mortgage. If Mortgagor fails to pay these sums prior to the expiration of this period, Mortgagee may invoke any remedies permitted by this Mortgage without further notice or demand on Mortgagor.

18. **Mortgagor's Right to Reinstate.** If Mortgagor meets certain conditions, Mortgagor shall have the right to have enforcement of this Mortgage discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that Mortgagor: (a) pays Mortgagee all sums which then would be due under this Mortgage and the Note had no acceleration occurred; (b) cures all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's rights in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by Mortgagor, this Mortgage and the obligations secured hereby shall remain fully effective as if no acceleration had occurred.

19. **Hazardous Substances.** Mortgagor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Mortgagor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal and reasonable uses and to maintenance of the Property.

Mortgagor shall promptly give Mortgagee written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and hazardous Substance or Environmental law of which Mortgagor has actual knowledge. If Mortgagor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Mortgagor shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

ADDITIONAL COVENANTS. Mortgagor and Mortgagee further covenant and agree as follows:

20. **Acceleration; Remedies.** Mortgagee shall give notice to Mortgagor prior to acceleration following Mortgagor's breach of any covenant or agreement in this Mortgage (but not prior to acceleration unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Mortgagor, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration to the sums secured by this Mortgage, foreclosure by judicial proceedings and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Mortgagor to acceleration and foreclosure. If the default is not cured on or before the date specified in the Notice, Mortgagee at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage without further demand and may foreclose this Mortgage by judicial proceedings. Mortgagee shall be entitled to collect all expenses incurred, but not limited to, reasonable attorneys' fees and costs of title evidence.

21. **Mortgagee in Possession.** Upon acceleration under paragraph 20 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale;

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Mortgagee (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Mortgagee or the receiver shall be applied first to payment of the costs of management of the Property and collections of rents, including, but not limited to receiver's fees, and then to the sums secured by this Mortgage.

22. **Release.** Upon payment of all sums secured by this Mortgage, Mortgagee shall release this Mortgage without charge to Mortgagor. Mortgagor shall pay recordation costs.

23. **Waiver of Homestead.** Mortgagor waives all right of homestead exemption in the Property.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and covenants contained in this Mortgage executed by Mortgagor and recorded with it.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage.

FRIENDSHIP MOTELS OF LANSING, Inc.,  
an Illinois Corporation

BY: [Signature]  
Vijay Patel, M.D.  
Its: President

ATTEST:

By: [Signature]  
Nayna Patel  
Its: Secretary

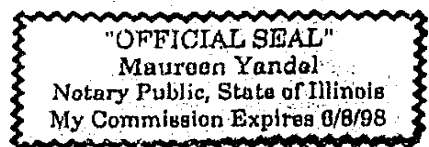
STATE OF ILLINOIS,  
COUNTY OF COOK.)

I, Maureen Yandel, a Notary Public in and for and residing in said County in the State of Illinois, do hereby certify that Vijay Patel, M.D., President, and Nayna Patel, Secretary, for and on behalf of Friendship Motels of Lansing, Inc., who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and Notarial Seal this 27th day of January, 1995.

[Signature]  
Notary Public

My Commission Expires:



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## EXHIBIT "A" GUARANTORS

<u>NAME</u>	<u>ADDRESS</u>
Vijay Patel, M.D.	8700 Northcote Avenue Munster, Indiana 46321
Atul Bhailal Patel	661 Prairie Cove Lane Allmonte Spring, Florida 32701
Pravin J. Patel, M.D.	914 Peeble Spring Drive Bolivar, Tennessee 38008
Sharadkumar N. Saraiya	12604 Bay Hill Drive Chester, Virginia 23831
Vijay H. Patel	7334 Devereux Road Downers Grove, Illinois 60516
Nayna Patel	8700 Northcote Avenue Munster, Indiana 46321
Kirit Patel	626 W. Market Street Bolivar, Tennessee 38008

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Property of Cook County Clerk's Office  
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