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CM 4201687 (2/4) ext

THIS DOCUMENT PREPARED BY
AND RETURN TO:

Gregg G. Rotter, Esq.
Lapin & Associates
300 W. Washington Street
Suite 409
Chicago, Illinois 60606

DEPT-01 RECORDING 91.50
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T90001 TRAN 4222 06/17/96 15118400
#2487 : S.J # - 96 - 463080
COOK COUNTY RECORDER

MORTGAGE

THIS MORTGAGE (the "Mortgage") is made as of June 10, 1996, by MICHAL KUCHEJDA a/k/a MICHAEL KUCHEJDA, married to ELIZABETH KUCHEJDA, (hereinafter individually and collectively "Mortgagor") to PLAZA BANK, an Illinois banking corporation ("Mortgagee")

WITNESSETH:

WHEREAS, Michal Kuchejda has executed and delivered to Mortgagee a Mortgage Note (the "Note") of even date herewith payable to the order of Mortgagee in the principal sum of ONE HUNDRED TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$125,000.00), bearing interest and payable as set forth in the Note, and due on June 9, 2001.

NOW, THEREFORE, to secure the payment of (a) the principal indebtedness under the Note and (b) interest and premiums, if any, on the principal indebtedness under the Note (and all replacements, renewals and extensions thereof, in whole or in part) according to its tenor and effect (the amounts described in the foregoing subparagraphs (a) and (b) are referred to collectively sometimes hereinafter as the "Indebtedness Hereby Secured"); and to secure the performance and observance of all the covenants, agreements and provisions contained in this Mortgage, the Note, or the following additional documents of even date herewith securing the indebtedness from time to time evidenced by the Note;

- (i) a certain Collateral Assignment of Leases and Rents as of even date herewith made by Mortgagor pertaining to the property commonly known as 2350 N. Kedzie, Chicago, Illinois; and

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- (ii) ~~a certain Guaranty of even date herewith made by Elisabeth Kuchejda ("Kuchejda Guaranty") and a certain Guaranty of even date herewith made by Chemigraph Company, Inc. ("Chemigraph Guaranty")~~ in favor of Lender; u, l

(the aforesaid additional loan documents, together with this Mortgage and all other documents and instruments, whether now existing or hereafter created, which evidence, secure or guarantee the Indebtedness Hereby Secured, are hereinafter collectively referred to as the "Loan Documents"); and to charge the properties, interests and rights hereinafter described with such payment, performance and observance; and for other valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, Mortgagor DOES HEREBY GRANT, REMISE, RELEASE, ALIEN, MORTGAGE AND CONVEY unto Mortgagee, its successors and assigns forever, the Land (as hereinafter defined) together with the following described property, rights and interests all of which are hereby pledged primarily and on a parity with the Land and not secondarily (and, sometimes together with the Land, are referred to hereinafter collectively as the "Premises"):

THE LAND located in Cook County in the State of Illinois and legally described in Exhibit "A" attached hereto and made a part hereof (the "Land");

TOGETHER WITH all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures, machinery, appliances, equipment, furniture, and personal property of every nature whatsoever now or hereafter owned by Mortgagor and located in or on, or attached to, or used or intended to be used in connection with or with the operation of, the Land, buildings, structures or other improvements, or in connection with any construction being conducted or which may be conducted thereon, and owned by Mortgagor, including all extensions, additions, improvements, betterments, renewals, substitutions, and replacements to any of the foregoing and all of the right, title and interest of Mortgagor in and to any such fixtures together with the benefit of any deposits or payments now or hereafter made on such fixtures by Mortgagor or on its behalf (the "Improvements");

TOGETHER WITH all easements, rights of way, strips and gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining to the Land, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor, and the reversion and reversions, remainder and remainders, rents, issues and profits

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thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Mortgagor of, in and to the same;

TOGETHER WITH all rents, royalties, issues, profits, revenue, income and other benefits from the Premises to be applied against the Indebtedness Hereby Secured, provided, however, that permission is hereby given to Mortgagor so long as no Default (as hereinafter defined) has occurred hereunder, to collect, receive, take, use, and enjoy such rents, royalties, issues, profits, revenue, income and other benefits as they become due and payable, but not more than one (1) month in advance thereof except in the ordinary course of Mortgagor's business;

TOGETHER WITH all right, title and interest of Mortgagor in and of any and all leases now or hereafter on or affecting the Premises whether written or oral and all agreements for use of the Premises, together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission hereinabove given to Mortgagor to collect the rentals under any such Lease so long as no Default has occurred hereunder;

TOGETHER WITH all fixtures and articles of personal property now or hereafter owned by Mortgagor and forming a part of or used in connection with the Land or the Improvements or the operation thereof, including, but without limitation, any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, bidets, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, escalators, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving sinks, sprinklers, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to the Land or the Improvements in any manner; it being mutually agreed that all of the aforesaid property owned by Mortgagor and placed on the Land or the Improvements shall, so far as permitted by law, be deemed to be fixtures, a part of the realty, and security for the Indebtedness Hereby Secured; notwithstanding the agreement and declaration hereinabove expressed that certain articles of property form a part of the realty covered by this Mortgage and be appropriated to its use and deemed to be realty, to the extent that such agreement and declaration may not be effective and that any of said articles may constitute goods (as said term is used in the Uniform Commercial Code), this instrument shall constitute a security agreement, creating a security interest in such goods, as collateral, in Mortgagee as a secured party and Mortgagor as Debtor, all in accordance with said Uniform Commercial Code as more

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particularly set forth in Paragraph 15 hereof; and

TOGETHER WITH all proceeds of the foregoing, including without limitation all judgments, awards of damages and settlements hereafter made resulting from condemnation proceeds or the taking of the Premises or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance, maintained with respect to the Premises or proceeds of any sale, option or contract to sell the Premises or any portion thereof; and Mortgagor hereby authorizes, directs and empowers Mortgagee, at its option, on behalf of Mortgagor, or the successors or assigns of Mortgagor, to adjust, compromise, claim, collect and receive such proceeds, to give proper receipts and acquittances therefor, and, after deducting expenses of collection, to apply the net proceeds as a credit upon any portion, as selected by Mortgagee, of the Indebtedness Hereby Secured, notwithstanding the fact that the same may not then be due and payable or that the Indebtedness Hereby Secured is otherwise adequately secured.

TO HAVE AND TO HOLD the Premises, unto the Mortgagee, its successors and assigns, forever, for the purposes and upon the uses herein set forth together with all right to possession of the Premises after the occurrence of any Default as hereinafter defined; the Mortgagor hereby RELEASES AND WAIVES all rights under and by virtue of the homestead exemption laws of the State in which the Premises are located.

PROVIDED, NEVERTHELESS, that if Mortgagor shall pay in full when due all Indebtedness Hereby Secured and shall duly and timely perform and observe all of the terms, provisions, covenants and agreements herein and in the Note and the other Loan Documents provided to be performed and observed by the Mortgagor and/or Borrower, then this Mortgage and the estate, right and interest of Mortgagee in the Premises shall cease and become void and of no effect, but shall otherwise remain in full force and effect.

THE MORTGAGOR FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. Payment of Indebtedness and Performance of Covenants.

Mortgagor shall (a) pay when due the Indebtedness Hereby Secured; and (b) duly and punctually perform and observe all of the terms, provisions, conditions, covenants and agreements on Mortgagor's part to be performed or observed as provided in the Note, this Mortgage, and the other Loan Documents. Mortgagor shall have the privilege of making prepayments on the principal of the Note (in addition to the required payments thereunder) in accordance with the terms and conditions set forth in the Note, but not otherwise.

2. Maintenance, Repair, Compliance with Law, Use, Etc.

A. General. Mortgagor shall (a) promptly repair, restore, replace or rebuild any portion of the Improvements

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reasonably necessary to maintain the value of the Premises which may become damaged or be destroyed whether or not proceeds of insurance are available or sufficient for that purpose; (b) keep the Premises in good condition and repair, free from waste; (c) pay all operating costs of the Premises; (d) complete, within a reasonable time, any building or buildings or other Improvements now or at any time in the process of erection upon the Premises; (e) comply in all material respects with all requirements of statutes, ordinances, rules, regulations, orders, decrees and other requirements of law relating to the Premises or any part thereof by any federal, state or local authority; (f) refrain from any action and correct any condition which could increase the risk of fire or other hazard to the Improvements or any portion thereof; (g) comply with any restrictions and covenants of record with respect to the Premises and the use thereof; and observe and comply with any conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including without limitation zoning variances, special exceptions and nonconforming uses), privileges franchises and concessions that are applicable to the Premises or its use and occupancy; and (h) cause the Premises to be managed in a competent and professional manner. Without the prior written consent of Mortgagee, Mortgagor shall not cause, suffer or permit any (i) alterations of the Premises which in the aggregate exceed \$10,000.00 except as required by law or ordinance or except as permitted or required to be made by the terms of any Leases approved by Mortgagee; (ii) change in the intended use or occupancy of the Premises for which the Improvements were constructed, including without limitation any change which would increase any fire or other hazard; (iii) zoning reclassification with respect to the Premises; (iv) unlawful use of, or nuisance to exist upon, the Premises; or (v) granting of any easements, licenses, covenants, conditions or declarations of use against the Premises, other than use restrictions contained or provided for in Leases approved by Mortgagee.

B. Environmental Condition. The Mortgagor represents and warrants to the Mortgagee that (a) the Mortgagor has not used Hazardous Materials (as defined below) on, from or affecting the Premises in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Material and, to the best of the Mortgagor's knowledge, no prior owner of the Premises or any existing or prior tenant, or occupant has used Hazardous Materials on, from or affecting the Premises in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production

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or disposal of Hazardous Materials; (b) the Mortgagor has never received any notice of any violations (and is not aware of any existing violations) of federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials at the Premises and, to the best of the Mortgagor's knowledge, there have been no actions commenced or threatened by any party for noncompliance which affects the Premises; (c) Mortgagor shall keep or cause the Premises to be kept free of Hazardous Materials except to the extent that such Hazardous Materials are stored and/or used in compliance with all applicable federal, state and local laws and regulations; and, without limiting the foregoing, Mortgagor shall not cause or permit the Premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials, except in compliance with all applicable federal, state and local laws and regulations, nor shall Mortgagor cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor or any tenant, subtenant or occupant, a release, spill, leak or emission of Hazardous Materials onto the Premises or onto any other contiguous property; (d) the Mortgagor shall conduct and complete all investigations, including a comprehensive environmental audit, studies, sampling, and testing, and all remedial, removal and other actions necessary to clear up and remove all Hazardous Materials on, under, from or affecting the Premises as required by all applicable federal, state and local laws, ordinances, rules, regulations and policies, to the satisfaction of the Mortgagee, and in accordance with the orders and directives of all federal, state and local governmental authorities. If the Mortgagor fails to conduct an environmental audit required by the Mortgagee, then the Mortgagee may at its option and at the expense of the Mortgagor, conduct such audit.

Subject to the limitations set forth below, the Mortgagor shall defend, indemnify and hold harmless the Mortgagee, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses, including, without limitation, attorney's and consultant's fees, investigation and laboratory fees, court costs and litigation expenses, known or unknown, contingent or otherwise, arising out of or in any way related to (a) the presence, disposal, release or threatened release of any Hazardous Materials on, over, under, from or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons or animals; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials on the Premises, (c) any lawsuit brought or

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threatened, settlement reached or government order relating to such Hazardous Materials with respect to the Premises, and/or (d) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of the Mortgagee, which are based upon or in any way related to such Hazardous Materials used in the Premises. The indemnity obligations under this paragraph are specifically limited as follows:

(i) The Mortgagor shall have no indemnity obligation with respect to Hazardous Materials that are first introduced to the Premises or any part of the Premises subsequent to the date that the Mortgagor's interest in and possession of the Premises or any part of the Premises shall have fully terminated by foreclosure of this Mortgage or acceptance of a deed in lieu of foreclosure;

(ii) The Mortgagor shall have no indemnity obligation with respect to any Hazardous Materials introduced to the Premises or any part of the Premises by the Mortgagee, its successors or assigns.

The Mortgagor agrees that in the event this Mortgage is foreclosed or the Mortgagor tenders a deed in lieu of foreclosure, the Mortgagor shall deliver the Premises to the Mortgagee free of any and all Hazardous Materials which are then required to be removed (whether over time or immediately) pursuant to applicable federal, state and local laws, ordinances, rules or regulations affecting the Premises.

For purposes of this Mortgage, "Hazardous Materials" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 5901, et seq.) and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local governmental law, ordinance, rule or regulation.

The provisions of this section shall be in addition to any and all other obligations and liabilities the Mortgagor may have to the Mortgagee under the debt listed in the Mortgage, any loan document, and in common law, and shall survive (a) the repayment of all sums due for the debt, (b) the satisfaction of all of the other obligations of the Mortgagor in this Mortgage and under any loan document, (c) the discharge of this Mortgage, and (d) the foreclosure of this Mortgage or acceptance of a deed in lieu of foreclosure.

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Notwithstanding anything to the contrary contained in this Mortgage, it is the intention of the Mortgagor and the Mortgagee that the indemnity provisions of this paragraph shall only apply to an action commenced against any owner or operator of the Premises in which any interest of the Mortgagee is threatened or any claim is made against the Mortgagee for the payment of money.

3. Liens.

A. Prohibition. Subject to the provisions of Paragraphs 4 and 16 hereof, the Mortgagor shall not create or suffer or permit any mortgage, lien, charge or encumbrance to attach to or be filed against the Premises, whether such lien or encumbrance is inferior or superior to the lien of this Mortgage, including mechanic's liens, materialmen's liens, or other claims for lien made by parties claiming to have provided labor or materials with respect to the Premises (which liens are herein defined as "Mechanic's Liens") and excepting only the lien of real estate taxes and assessments not due or delinquent, any liens and encumbrances of Mortgagee, and those certain exceptions to title which Lender is willing to take subject to (hereinafter referred to as the "Permitted Exceptions").

B. Contest of Mechanic's Liens Claims. Notwithstanding the foregoing prohibition against Mechanic's Liens against the Premises, Mortgagor, or any party obligated to Mortgagor to do so, may in good faith and with reasonable diligence contest the validity or amount of any Mechanic's Lien and defer payment and discharge thereof during the pendency of such contest, provided: (i) that such contest shall have the effect of preventing the sale or forfeiture of the Premises or any part thereof, or any interest therein, to satisfy such Mechanic's Lien; (ii) that, within ten (10) days after Mortgagor has been notified of the existence of such Mechanic's Lien or claim therefor, Mortgagor shall notify Mortgagee in writing of Mortgagor's intention to contest such Mechanic's Lien or to cause such other party to contest such Mechanic's Lien; and (iii) that Mortgagor shall have obtained a title insurance endorsement over such Mechanic's Lien insuring Mortgagee against loss or damage by reason of the existence of such Mechanic's Liens or Mortgagor shall have deposited or caused to be deposited with Mortgagee or in a title indemnity account at the title insurance company giving such endorsement or at such place as Mortgagee may from time to time in writing appoint, and in the absence of such appointment, then at the place of payment designated in the Note, a sum of money which shall be sufficient in the judgment of Mortgagee to pay in full such Mechanic's Lien and all interest which might become due thereon, and shall keep on deposit an amount so sufficient at all times, increasing such

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amount to cover additional interest whenever, in the judgment of Mortgagee, such increase is advisable. Such deposits are to be held without any allowance of interest. In case Mortgagor shall fail to maintain or cause to be maintained sufficient funds on deposit as hereinabove provided, shall fail to prosecute such contest or cause such contest to be prosecuted with diligence or shall fail to pay or cause to be paid the amount of the Mechanic's Lien plus any interest finally determined to be due upon the conclusion of such contest, to the extent such amount exceeds the amount on deposit with Mortgagee, Mortgagee may, at its option, apply the money as deposited in payment of or on account of such Mechanic's Lien, or that part thereof then unpaid, together with all interest thereon. If the amount of money so deposited shall be insufficient for the payment in full of such Mechanic's Lien, together with all interest thereon, Mortgagor shall forthwith, upon demand, deposit with Mortgagee a sum which, when added to the funds then on deposit, shall be sufficient to make such payment in full. In the event that the contest of the Mechanic's Lien claim is ultimately resolved in favor of the claimant, Mortgagee shall apply the money so deposited in full payment of such Mechanic's Lien or that part thereof then unpaid, together with all interest thereon (provided Mortgagor is not then in default hereunder) when furnished with evidence satisfactory to Mortgagee of the amount of payment to be made. Any surplus remaining in the control of Mortgagee shall be paid to Mortgagor, provided Mortgagor is not then in Default hereunder. In the event the contest of the Mechanic's Lien claim is ultimately resolved in favor of Mortgagor, and provided Mortgagor is not then in Default hereunder, any funds in the control of Mortgagee shall be paid to Mortgagor.

4. Taxes and Liens.

A. Payment. Mortgagor shall pay or cause to be paid when due and before any penalty attaches, all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever levied or assessed against the Premises or any part thereof or any interest therein or any obligation or instrument secured hereby, and all installments thereof (all herein generally called "Taxes"), whether or not assessed against Mortgagor, and Mortgagor shall furnish to Mortgagee receipts therefor on or before the date the same are due; and shall discharge any claim or lien relating to Taxes upon the Premises, other than matters expressly permitted in writing by Mortgagor.

B. Contest. Mortgagor may, in good faith and with diligence, contest or cause to be contested the validity or amount of any such Taxes, provided that:

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(a) such contest shall have the effect of preventing the collection of the Taxes so contested and the sale or forfeiture of the Premises or any part thereof or interest therein to satisfy the same;

(b) Mortgagor has notified Mortgagee in writing of the intention of Mortgagor to contest the same or to cause the same to be contested before the amount of any such Taxes has been increased by any interest, penalties, or costs; and

(c) Mortgagor has deposited or caused to be deposited with Mortgagee, at such place as Mortgagee may from time to time in writing designate, a sum of money or other security acceptable to Mortgagee that, when added to the monies or other security, if any, deposited with Mortgagee pursuant to Paragraph 8 hereof, is sufficient, in Mortgagee's judgment, to pay in full such contested Taxes and all penalties and interest that might become due thereon, and shall keep on deposit an amount sufficient, in Mortgagee's judgment, to pay in full such contested Taxes, increasing such amount to cover additional penalties and interest whenever, in Mortgagee's judgment, such increase is advisable.

In the event that Mortgagor fails to prosecute such contest with diligence or fails to maintain sufficient funds on deposit as hereinabove provided, Mortgagee may, at its option, apply the monies and liquidate any securities deposited with Mortgagee, in payment of, or on account of, such Taxes, or any portion thereof then unpaid, including all penalties and interest thereon. If the amount of the money and any such security so deposited is insufficient for the payment in full of such Taxes, together with all penalties and interest thereon, Mortgagor shall forthwith, upon demand, either deposit with Mortgagee a sum that, when added to such funds then on deposit, is sufficient to make such payment in full, or, if Mortgagee has applied funds on deposit on account of such Taxes, restore such deposit to an amount satisfactory to Mortgagee. Provided that Mortgagor is not then in default hereunder, Mortgagee shall, if so requested in writing by Mortgagor, after final disposition of such contest and upon Mortgagor's delivery to Mortgagee of an official bill for such Taxes, apply the money so deposited in full payment of such Taxes or that part thereof then unpaid, together with all penalties and interest thereon, with any surplus being paid to Mortgagor.

5. Change in Tax Laws. If, by the laws of the United States of America, or of any state or municipality having jurisdiction over Mortgagee, Mortgagor or the Premises, any tax is imposed or becomes due in respect of the issuance of the Note or the recording of this Mortgage, Mortgagor shall pay such tax in the manner

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required by such law. In the event that any law, statute, rule, regulation, order or court decree has the effect of deducting from the value of the Premises for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of Mortgagee in the Premises, or the manner of collection of taxes, so as to affect this Mortgage, the Indebtedness Hereby Secured or Mortgagee, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes, or reimburse Mortgagee therefor on demand, unless Mortgagee determines, in Mortgagee's sole and exclusive judgment, that such payment or reimbursement by Mortgagor is unlawful; in which event the Indebtedness Hereby Secured shall be due and payable within thirty (30) days after written demand by Mortgagee to Mortgagor. Nothing in this Paragraph 5 shall require Mortgagor to pay any income, franchise or excise tax imposed upon Mortgagee, excepting only such which may be levied against the income of Mortgagee as a complete or partial substitute for taxes required to be paid by Mortgagor pursuant hereto.

6. Insurance Coverage. Mortgagor will insure the Premises against such perils and hazards, and in such amounts and with such limits, as Mortgagee may from time to time require, and in any event will continuously maintain the following described policies of insurance (the "Insurance Policies"):

(a) Casualty insurance against loss and damage by all risks of physical loss or damage, including fire, windstorm, flood, earthquake and other risks covered by the so-called "all risks" coverage in amounts not less than the full insurable replacement value of all Improvements, fixtures and equipment from time to time on the Premises (without reduction for depreciation) and bearing a replacement cost agreed amount endorsement;

(b) Comprehensive public liability against death, bodily injury and property damage;

(c) Rental or business interruption insurance in amounts sufficient to pay, for a period of up to four (4) months, all amounts required to be paid by Mortgagor pursuant to the Note and this Mortgage;

(d) Steam boiler, machinery and pressurized vessel insurance;

(e) If the Federal Emergency Management (FEMA) has designated the Premises to be in a special flood hazard area and designated the community in which the Premises are located eligible for sale of subsidized insurance, first and second

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layer flood insurance when and as available; and

(f) The types and amounts of coverage as are customarily maintained by owners or operators of like properties.

If any of the Insurance Policies are not maintained as required herein, Mortgagee may, upon written notice to Mortgagor, procure and substitute for any and all of the policies of insurance required above, such other policies of insurance, in such amounts, and carried in such companies, as it may select, and in such event,

those policies of insurance shall be included within the definition of "Insurance Policies" set forth herein.

7. Insurance Policies. All Insurance Policies shall be in form, written by companies, have expiration dates and be in amounts, all satisfactory to Mortgagee. All Insurance Policies insuring against casualty, rent loss and business interruption and other appropriate policies shall include non-contributing mortgagee endorsements in favor of and with loss payable to Mortgagee, as well as standard waiver of subrogation endorsements, shall provide that the coverage shall not be terminated or materially modified without thirty (30) days' advance written notice to Mortgagee and shall provide that no claims shall be paid thereunder without ten (10) days' advance written notice to Mortgagee. Mortgagor will deliver all Insurance Policies premium prepaid, to Mortgagee and, in case of Insurance Policies about to expire, Mortgagor will deliver renewal or replacement policies not less than thirty (30) days prior to the date of expiration. The requirements of the preceding sentence shall apply to any separate policies of insurance taken out by Mortgagor concurrent in form or contributing in the event of loss with the Insurance Policies. Insurance Policies maintained by tenants under the Leases, if any, if in conformity with the requirements of this Mortgage and if approved by Mortgagee, may be presented to Mortgagee in satisfaction of Mortgagor's obligation to provide the insurance coverages provided by those Insurance Policies.

8. Deposits for Taxes and Insurance Premiums. In order to assure the timely payment of real property taxes against the Premises, Mortgagor shall make monthly deposits with Mortgagee, in a non-interest bearing account, together with and in addition to interest and principal, of a sum equal to one-twelfth of the yearly taxes and assessments which may be levied against the Premises. Such deposits shall not be deemed to be trust funds but may be commingled with general funds of Mortgagee. The amount of such taxes, assessments and premiums, when unknown, shall be estimated by Mortgagee. Such deposits shall be used by Mortgagee to pay such taxes, assessments and premiums when due provided there is no event of default as defined in Section 17 of this Agreement hereunder or under any of the other Security Documents; however, Mortgagee shall be under no obligation to pay any such charges unless there is on

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deposit with Mortgagee sufficient funds to pay such charges when due. Any insufficiency of such account to pay such charges when due shall be paid by Mortgagor to Mortgagee. In the event Mortgagor shall for any reason fail to pay the foregoing items when the same become due, Mortgagee, if it so elects, may pay the foregoing items by advancing such additional monies as are necessary, and upon notice to the Mortgagor or Mortgagee's advancing such additional monies, such additional monies so advanced by Mortgagee shall become immediately due and payable with interest at the Default Rate as defined in the Security Document until paid and shall be secured by this Mortgage. Failure on the part of the Mortgagor to pay sums advanced hereunder shall, at the option of Mortgagee, constitute an event of Default hereunder.

If, by reason of an event of Default pursuant to Section 17 by Mortgagor under any provision of this Mortgage, the Note or any other of the Security Documents, Mortgagee declares all sums secured hereby to be due and payable, Mortgagee may, at its option without being required to do so, then apply any funds in said account against any of the indebtedness secured hereby, in such order and manner as Mortgagee may elect. The enforceability of the covenants relating to taxes, assessments and insurance premiums herein otherwise provided shall not be affected except insofar as those obligations have been met by compliance with this Paragraph. Mortgagee may from time to time, at its option, waive, and after any such waiver reinstate, any or all provisions hereof requiring such deposits, by notice to Mortgagor in writing. While any such waiver is in effect, Mortgagor shall pay taxes and assessments as herein elsewhere provided.

9. Proceeds of Insurance. Mortgagor will give Mortgagee prompt notice of any loss or damage to the Premises, and:

(a) Mortgagee (or after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be) is hereby authorized at its option either (i) to settle and adjust any claim under such Insurance Policies without the consent of Mortgagor, or (ii) to allow Mortgagor to settle and adjust such claim without the consent of Mortgagee; provided that in either case Mortgagee shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the expenses incurred by Mortgagee in the adjustment and collection of insurance proceeds shall be so much additional Indebtedness Hereby Secured, and shall be reimbursed to Mortgagee upon demand or may be deducted by Mortgagee from said insurance proceeds prior to any other application thereof. Each insurance company which has issued an Insurance Policy is hereby authorized and directed to make payment for all losses covered by an Insurance Policy to Mortgagee alone, and not to Mortgagee and Mortgagor jointly.

(b) Mortgagee shall, in its sole discretion, elect to

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apply the proceeds of Insurance Policies consequent upon any casualty either (i) to reduce the Indebtedness Hereby Secured; or (ii) to reimburse Mortgagor for the cost of restoring, repairing, replacing or rebuilding the loss or damage of the casualty, subject to the conditions and in accordance with the provisions of Paragraph 10 hereof. In the event Mortgagee elects to apply the proceeds of Insurance Policies to the Indebtedness Hereby Secured and such proceeds do not discharge that indebtedness in full, the entire Indebtedness Hereby Secured shall become immediately due and payable with interest thereon at the Default Rate (as defined in the Note).

(c) Provided that the proceeds of the Insurance Policies are made available for such purpose, Mortgagor hereby covenants to restore, repair, replace or rebuild the Improvements in a prompt and timely fashion, to be of at least equal value, and of substantially the same character as prior to such loss or damage, all to be effected in accordance with plans, specifications and procedures to be first submitted to and approved by Mortgagee, and Mortgagor shall pay all costs of such restoring, repairing, replacing or rebuilding.

10. Disbursement of Insurance Proceeds. Insurance proceeds held by Mortgagee for restoration, repairing, replacement or rebuilding of the Premises shall be disbursed from time to time upon Mortgagee being furnished with (i) evidence reasonably satisfactory to it of the estimated cost of the restoration, repair, replacement and rebuilding, (ii) funds (or assurances reasonably satisfactory to Mortgagee that such funds are available) sufficient in addition to the proceeds of insurance, to complete and fully pay for the restoration, repair, replacement and rebuilding, and (iii) such architect's certificates, waivers of lien, contractor's sworn statements, title insurance endorsements, plats of survey and such other evidences of cost, payment and performance as Mortgagee may reasonably require and approve. No payment made prior to the final completion of the restoration, repair, replacement and rebuilding shall exceed ninety percent (90%) of the value of the work performed from time to time, as such value shall be determined by Mortgagee in its sole and exclusive reasonable judgment; funds other than proceeds of insurance shall be disbursed prior to disbursement of such proceeds; and at all times the undisbursed balance of such proceeds remaining in the hands of Mortgagee, together with funds deposited or irrevocably committed to the satisfaction of Mortgagee by or on behalf of Mortgagor to pay the cost of such repair, restoration, replacement or rebuilding, shall be at least sufficient in the reasonable judgment of Mortgagee to pay the entire unpaid cost of the restoration, repair, replacement or rebuilding, free and clear of all liens or claims for lien. Any surplus which may remain out of insurance proceeds held by Mortgagee after payment of such costs of restoration, repair, replacement or rebuilding shall be paid to Mortgagor.

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11. Condemnation and Eminent Domain. Any and all awards (the "Awards") heretofore or hereafter made or to be made to the present, or any subsequent, owner of the Premises, by any governmental or other lawful authority for the taking, by condemnation or eminent domain, of all or any part of the Premises, (including any award from the United States government at any time after the allowance of a claim therefor, the ascertainment of the amount thereto, and the issuance of a warrant for payment thereof), are hereby assigned by Mortgagor to Mortgagee, which Awards Mortgagee is hereby authorized to collect and receive from the condemnation authorities, and Mortgagee is hereby authorized to give appropriate receipts and acquittances therefor, subject to Mortgagor's right to contest the amount of any Award not in excess of the Indebtedness Hereby Secured provided Mortgagor takes all actions reasonably determined by Mortgagee to validly contest such Award and Mortgagor diligently pursues such contest. Mortgagor shall give Mortgagee immediate written notice of the actual or threatened commencement of any condemnation or eminent domain proceedings affecting all or any part of the Premises and shall deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor further agrees to make, execute, and deliver to Mortgagee, at any time upon request, free, clear, and discharged of any encumbrance of any kind whatsoever, any and all further assignments and other instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all Awards and other compensation heretofore and hereafter made to Mortgagor for any taking, either permanent or temporary, under any such proceeding. If any portion of or interest in the Premises is taken by condemnation or eminent domain, either temporarily or permanently, and the remaining portion of the Premises is not, in the reasonable judgment of Mortgagee, a complete economic unit having equivalent value to the Premises as it existed prior to the taking, then, at the option of Mortgagee, the entire Indebtedness Hereby Secured shall immediately become due and payable. After deducting from the amount of the Awards for such taking all of its expenses incurred in the collection and administration of the Awards, including attorney's fees, Mortgagee shall be entitled to apply the net proceeds toward repayment of such portion of the Indebtedness Hereby Secured as it deems appropriate without affecting the lien of this Mortgage. In the event of any partial taking of the Premises or any interest in the Premises, which, in the reasonable judgment of Mortgagee leaves the Premises as a complete economic unit having equivalent value to the Premises as it existed prior to the taking, and provided no Default has occurred and is then continuing, the Awards shall be applied to reimburse Mortgagor for the cost of restoration and rebuilding the Premises in accordance with plans, specifications and procedures which must be submitted to and approved by Mortgagee, and such Awards shall be disbursed in the same manner as is hereinabove provided above for the application of insurance proceeds, provided that any surplus after payment of such costs shall be applied on account of the Indebtedness Hereby Secured. If

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the Awards are not applied for reimbursement of such restoration costs, the Awards shall be applied against the Indebtedness Hereby Secured, in such order or manner as Mortgagee shall elect.

12. Assignment of Rents, Leases and Profits. To further secure the Indebtedness Hereby Secured, Mortgagor hereby sells, assigns and transfers unto Mortgagee all of the rents, leases, issues and profits now due and which may hereafter become due under or by virtue of any Leases which may have been heretofore or may be hereafter made or agreed to by Mortgagor or the beneficiary or beneficiaries of Mortgagor or the agents of any of them or which may be made or agreed to by Mortgagee under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all such Leases, rents and all avails thereunder, to Mortgagee. Mortgagor hereby irrevocably appoints Mortgagee its agent in its name and stead (with or without taking possession of the Premises as provided in Paragraph 19 hereof) to rent, lease or let all or any portion of the Premises to any party or parties at such rental and upon such terms as said Mortgagee shall, in its discretion, determine, and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, and all now due or that may hereafter become due under each and every of the Leases, written or oral, or other tenancy existing, or which may hereafter exist on the Premises, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Mortgagee would have upon taking possession pursuant to the provisions of Paragraph 19 hereof. Mortgagor represents and agrees that no rent has been or will be paid by any person in possession of any portion of the Premises for more than one installment in advance except in the ordinary course of Mortgagor's business, and that the payment of none of the rents to accrue for any portion of said Premises has been or will be waived, released, reduced, discounted or otherwise discharged or compromised by Mortgagor. Mortgagor waives any rights of set off against any person in possession of any portion of the Premises. Mortgagor agrees that it will not assign any of the rents or profits of the Premises, except to a purchaser or grantee of the Premises. Nothing herein contained shall be construed as constituting Mortgagee a Mortgagee in possession in the absence of taking of actual possession of the Premises by Mortgagee pursuant to Paragraph 19 hereof. In the exercise of the powers herein granted Mortgagee, no liability shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagor. In the event Mortgagee collects the rents from the Premises, any amount not then due under the Note shall be applied by Mortgagee against expenses incurred in the operation of the Premises or remitted to Mortgagor. Mortgagor further agrees to assign and transfer to Mortgagee all future leases upon all or any part of the Premises and to execute and deliver, at the request of Mortgagee, all such further assurances and assignments in the Premises as Mortgagee shall from time to time require. Although it is the intention of the parties that the

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assignment contained in this Paragraph shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Mortgagee shall not exercise any of the rights or powers conferred upon it by this Paragraph until a default shall exist under this Mortgage. From time to time, Mortgagor will furnish Mortgagee with executed copies of each of the Leases and with estoppel letters from each tenant under each of the Leases, which estoppel letters shall be in a form satisfactory to Mortgagee and shall be delivered within thirty (30) days after Mortgagee's written demand therefor. In the event Mortgagee requires that Mortgagor execute and record a separate Collateral Assignment of Rents or separate assignments of any of the Leases to Mortgagee, the terms and provisions of those assignments shall control in the event of a conflict between the terms of this Mortgage and the terms thereof.

13. Observance of Lease Assignment. Mortgagor expressly covenants and agrees that (a) if Mortgagor, as Lessor, shall fail to perform and fulfill any term, covenant, condition or provision in any Lease, on its part to be performed or fulfilled at the times and in the manner in said Lease provided; or (b) if Mortgagor shall cancel, terminate, amend, modify or void any of the Leases without Mortgagee's prior written consent; or if Mortgagor shall enter into any Lease without Mortgagee's prior written consent; or (c) if Mortgagor shall suffer or permit to occur any breach or default under the provisions of any assignment of any Lease given as additional security for the payment of the Indebtedness Hereby Secured and such default shall continue for twenty (20) days after notice has been given by Mortgagee to Mortgagor of the nature of such default; provided, however, that if by its nature such default cannot be cured within such twenty (20) day period, the Lender shall not exercise any remedy hereunder so long as Maker has commenced to cure such default within such twenty (20) day period and Maker continues for a period not to exceed forty-five (45) days to diligently pursue its cure; then and in any such event, such breach or default shall constitute a Default hereunder and at the option of Mortgagee, and without notice to Mortgagor, the Indebtedness Secured Hereby shall become due and payable as in the case of other Defaults. Any consent required of Mortgagee under this Section 13 shall not be unreasonably withheld.

14. Mortgagee's Performance of Mortgagor's Obligations. In case of Default, Mortgagee, either before or after acceleration of the Indebtedness Hereby Secured or the foreclosure of the lien hereof and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act herein required of Mortgagor (whether or not Mortgagor is personally liable therefor) in any form and manner deemed expedient to Mortgagee. Mortgagee may, but shall not be required to, rent, operate and manage the Premises and Improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises shall be

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operational and useable for their intended purposes. All monies paid, and all expenses paid or incurred in connection therewith, including attorney's fees, and other monies advanced by Mortgagee to protect the Premises and the lien hereof, or to complete construction, furnishing and equipping or to rent, operate and manage the Premises or to pay any such operating costs and expense thereof or to keep the Premises operational and useable for their intended purpose shall be so much additional Indebtedness Hereby Secured, whether or not the Indebtedness Hereby Secured, as a result thereof, shall exceed the face amount of the Note, and shall become immediately due and payable on demand, and with interest thereon at the "Default Rate" specified in the Note as such term is defined in the Note (hereinafter called the "Default Rate"). Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any Default nor shall the provisions of this Paragraph or any exercise by Mortgagee of its rights hereunder prevent any default from constituting a Default. Mortgagee, in making any payment hereby authorized (a) relating to Taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof, (b) for the purchase, discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted or (c) in connection with rental, operation or management of the Premises or the payment of operating costs and expenses thereof, may do so in such amounts and to such persons as Mortgagee may deem appropriate. Nothing contained herein shall be construed to require Mortgagee to advance or expend monies for any purpose mentioned herein, or for any other purpose.

15. Security Agreement. Mortgagor and Mortgagee agree that this Mortgage shall constitute a Security Agreement within the meaning of the Illinois Uniform Commercial Code (hereinafter referred to as the "Code") with respect to (i) any and all sums at any time on deposit for the benefit of Mortgagor or held by the Mortgagee (whether deposited by or on behalf of the Mortgagor or anyone else) pursuant to any of the provisions of this Mortgage or any of the other Security Documents, and (ii) with respect to any personal property included in the granting clauses of this Mortgage, which personal property may not be deemed to be affixed to the Premises or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code), (which property is hereinafter referred to as "Personal Property") and all replacements of such Personal Property, substitutions for such Personal Property, additions to such Personal Property, and the proceeds thereof (all of said Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof sometimes hereinafter being referred to collectively as the "Collateral"), and that a security interest in and to all sums on deposit and the Collateral is hereby granted to Mortgagee, and all sums on deposit and the Collateral and all of Mortgagor's right, title and interest therein are hereby assigned to Mortgagee, all to

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secure payment of the Indebtedness Hereby Secured. All of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Premises; and the following provisions of this Paragraph shall not limit the applicability of any other provision of this Mortgage but shall be in addition thereto:

(a) Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof, other liens and encumbrances benefitting Mortgagee and no other party, and liens and encumbrances, if any, expressly permitted by Mortgagee.

(b) The Collateral is to be used by Mortgagor solely for business purposes.

(c) The Collateral will be kept at the Land, and, except for Obsolete Collateral (as hereinafter defined), will not be removed therefrom except in the ordinary course of Mortgagor's business without the written consent of Mortgagee (being the Secured Party as that term is used in the Code). The Collateral may be affixed to the Land but will not be affixed to any other real estate.

(d) The only persons having any interest in the Premises are Mortgagor, Mortgagee, and holders of interests, if any, expressly permitted by Mortgagee.

(e) No Financing Statement (other than Financing Statements showing Mortgagee as the sole secured party, or with respect to liens or encumbrances, if any, expressly permitted by Mortgagee) covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor will at its own cost and expense, upon demand, furnish to Mortgagee such further information and will execute and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee and will do all such acts and things as Mortgagee may at any time or from time to time request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness Hereby Secured, subject to no other liens or encumbrances, other than liens or encumbrances benefitting Mortgagee and no other party and liens and encumbrances (if any) expressly permitted by Mortgagee; and Mortgagor will pay the cost of filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by Mortgagee to be necessary or desirable.

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(f) Upon Default hereunder, Mortgagee shall have the remedies of a secured party under the Code, including without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Mortgagor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the Code. Mortgagee may render the Collateral unusable without removal and may dispose of the Collateral on the Premises. Mortgagee may require Mortgagor to assemble the Collateral and make it available to Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Mortgagee will give Mortgagor at least twenty (20) days notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Mortgagor hereinafter set forth at least twenty (20) days before the time of the sale or disposition. Mortgagee may buy at any public sale and, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, Mortgagee may buy at private sale. Any such sale may be held as part of and in conjunction with any foreclosure sale of the Premises, the Premises including the Collateral to be sold as one lot if Mortgagee so elects. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like and the reasonable attorneys' fees and legal expenses incurred by Mortgagee, shall be applied against the Indebtedness Hereby Secured in such order or manner as Mortgagee shall select. Mortgagee will account to Mortgagor for any surplus realized on such disposition.

(g) The terms and provisions contained in this Paragraph 15 shall, unless the content otherwise requires, have the meanings and be construed as provided in the Code.

(h) This Mortgage is intended to be a financing statement within the purview of Section 9-402(6) of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to

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the Premises. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are hereinafter set forth. This Mortgage is to be filed for record with the Recorder of Deeds of the County or Counties where the Premises are located. Mortgagor is the record owner of the Premises.

(i) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover and include all Leases between Mortgagor or Borrower, as lessor, and various tenants named therein, as lessee, including all extended terms and all extensions and renewals of the terms thereof, as well as any amendments to or replacement of said Leases, together with all of the right, title and interest of Mortgagor, as lessor thereunder, including, without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any and all of the rents, income, revenues, issues and profits and monies payable as damages or in lieu of the rent and monies payable as the purchase price of the Premises or any part thereof or of awards or claims for money and other sums of money payable or receivable thereunder howsoever payable, and to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which Mortgagor or any lessor is or may become entitled to do under the Leases.

16. Restrictions on Transfer. Mortgagor shall not, without the prior written consent of Mortgagee, create, effect, contract for, consent to, suffer or permit any "Prohibited Transfer" (as defined herein). Any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties, rights or interests which occurs, is granted, accomplished, attempted or effectuated without the prior written consent of Mortgagee shall constitute a "Prohibited Transfer":

(a) the Premises or any part thereof or interest therein or in any of the Security Documents, excepting only sales or other dispositions of Collateral (herein called "Obsolete Collateral") no longer useful in connection with the operation of the Premises, provided that prior to the sale or other disposition thereof, such Obsolete Collateral has been replaced by Collateral of at least equal value and utility which is subject to the lien hereof with the same priority as with respect to the Obsolete Collateral;

(b) all or any portion of the beneficial interest or power of direction in or to the trust under which Mortgagor is acting, if Mortgagor is a Trustee;

(c) any shares of capital stock of a corporate Mortgagor,

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a corporation which is a beneficiary of a trustee Mortgagor, a corporation which is a general partner in a partnership Mortgagor, a corporation which is a general partner in a partnership beneficiary of a trustee Mortgagor, or a corporation which is the owner of substantially all of the capital stock of any corporation described in this subparagraph (other than the shares of capital stock of a corporate trustee or a corporation whose stock is publicly traded on a national securities exchange or on the National Association of Securities Dealer's Automated Quotation System); or

(d) all or any part of the general partnership or joint venture interest, as the case may be, of any Mortgagor or any direct or indirect beneficiary of a Trustee Mortgagor if Mortgagor or such beneficiary is a partnership or a joint venture;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions of this Paragraph 16 shall not apply:

(i) to liens securing the Indebtedness Hereby Secured;

(ii) to the lien of current taxes and assessments not in default; and

(iii) to any transfers of the Premises, or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint venture interests, as the case may be, by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate or personal representatives.

Mortgagor acknowledges that Mortgagee shall be under no obligation to consent to any of the foregoing Prohibited Transfers and that any such consent may be subject to changes in the Interest Rate charged in the Note, the imposition of a fee or to such other modifications to the terms and conditions in the Note, this Mortgage or any other Security Documents as Mortgagee in its sole discretion may determine.

17. **Defaults.** If one or more of the following events (herein called "Defaults") shall occur:

(a) If any default be made in the due and punctual payment of monies required under the Note, under this Mortgage

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or under any of the other Loan Documents, as and when the same is due and payable and any applicable period of grace expressly allowed for the cure of such default in such document shall have expired or if no grace period is specified, then after the expiration of five (5) days following the date when such amount was due;

(b) If any default (other than the failure to pay monies) shall exist under any other document or instrument regulating, evidencing, securing or guarantying any of the Indebtedness Hereby Secured including, but not limited to, the Note or any of the other Security Documents in each case after the expiration of any period of grace expressly allowed for the cure of such default in such other document or instrument;

(c) The occurrence of a Prohibited Transfer;

(d) If any default shall continue for thirty (30) days after written notice thereof by Mortgagee to Mortgagor in the due and punctual performance or observance of any other agreement or condition herein contained;

(e) The existence of any collusion, fraud, dishonesty or bad faith by or with the acquiescence of Mortgagor or Borrower which adversely and materially affects the Indebtedness Hereby Secured or the Premises;

(f) If at any time any material representation, statement, report or certificate made now, heretofore or hereafter by Mortgagor is not true and correct;

(g) If (and for the purpose of this Subparagraph 17(g) only, the term Mortgagor shall mean and include not only Mortgagor, but also Borrower, any general partner in a partnership Mortgagor or in a partnership which is a beneficiary of a trustee Mortgagor, any owner of more than ten percent (10%) of the stock in a corporate Mortgagor or a corporation which is the beneficiary of a trustee Mortgagor and each person who, as guarantor, co-maker or otherwise, shall be or become liable for or obligated upon all or any part of the Indebtedness Hereby Secured or any of the covenants or agreements contained herein);

(i) Mortgagor shall file a voluntary petition in or for arrangement, reorganization or other relief under any chapter of the Federal Bankruptcy Act or any similar law, state or federal, now or hereafter in effect;

(ii) Mortgagor shall file an answer or other pleading in any proceeding admitting insolvency, bankruptcy, or inability to pay its debts as they mature;

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(iii) Within thirty (30) days after the filing against Mortgagor of any involuntary proceeding under the Federal Bankruptcy Act or similar law, state or federal, now or hereafter in effect such proceedings shall not have been vacated;

(iv) Mortgagor shall fail to pay any money judgment against it at least ten (10) days prior to the date on which the assets of Mortgagor may be sold to satisfy such judgment;

(v) All or a substantial part of Mortgagor's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within thirty (30) days;

(vi) Mortgagor shall be adjudicated a bankrupt;

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

(viii) Any order appointing a receiver, trustee or liquidator of Mortgagor or all or a major part of Mortgagor's property or the Premises is not vacated within thirty (30) days following the entry thereof;

then Mortgagee is hereby authorized and empowered, at its option and without affecting the lien hereby created or the priority of said lien or any other right of Mortgagee hereunder, to declare, without further notice, all Indebtedness Hereby Secured to be immediately due and payable with interest thereon at the Default Rate, whether or not such Default be thereafter remedied by Mortgagor, and Mortgagee may immediately proceed to foreclose this Mortgage and/or to exercise any right, power or remedy provided by this Mortgage, the Note, the Credit Agreement, any of the other Security Documents or by law or in equity or any other document or instrument regulating, evidencing, securing or guarantying any of the Indebtedness Hereby Secured.

18. Foreclosure. When the Indebtedness Hereby Secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof in accordance with the laws of the State in which the Premises are located and to exercise any other remedies of Mortgagee provided in the Note, this Mortgage, any of the other Loan Documents or which Mortgagee may have at law, at equity or otherwise. In any suit to foreclose the lien hereof, there shall

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be allowed and included as additional Indebtedness Hereby Secured in the decree of sale, all expenditures and expenses authorized by the Illinois Foreclosure Act, Chapter 110, Section 15.1101 et seq. Illinois Revised Statutes (1987) (the "Act") and all other expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Premises. All expenditures and expenses of the nature mentioned in this Paragraph, and such other expenses and fees as may be incurred in the protection of the Premises and rents and income therefrom and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Premises, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceedings, or otherwise in dealing specifically therewith, shall be so much additional Indebtedness Hereby Secured and shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate until paid.

19. Right of Possession. When the Indebtedness Hereby Secured shall become due, whether by acceleration or otherwise, or in any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, Mortgagor shall, forthwith upon demand of Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take actual possession of, the Premises or any part thereof, personally or by its agent or attorneys, or be placed in possession pursuant to court order as mortgagee in possession or receiver or provided in the Act and Mortgagee, in its discretion, may personally or by its agents or attorneys or pursuant to court order as mortgagee in possession or receiver as provided in the Act enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers, and accounts of Mortgagor or the then owner of the Premises relating thereto, and may exclude Mortgagor, such owner, and any agents and servants thereof wholly therefrom and may, on behalf of Mortgagor or such owner, or in its own name as Mortgagee and under the powers herein granted:

(a) hold, operate manage, and control all or any part of the Premises and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion may be deemed property or necessary to enforce the payment or

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security of the rents, issues, deposits, profits, and avails of the Premises, including without limitation actions for recovery or rent, actions in forcible detainer, and actions in distress for rent, all without notice to Mortgagor;

(b) cancel or terminate any Lease or sublease of all or any part of the Premises for any cause or on any ground that would entitle Mortgagor to cancel the same;

(c) elect to disaffirm any Lease or sublease of all or any part of the Premises made subsequent to this Mortgage without Mortgagee's prior written consent;

(d) extend or modify any then existing Leases and make new Leases of all or any part of the Premises, which extensions, modifications, and new Leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the loan evidenced by the Note and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such Leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor, all persons whose interests in the Premises are subject to the lien hereof, and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Indebtedness Hereby Secured, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser;

(e) make all necessary or proper repairs, decorations, renewals, replacements, alterations, additions, betterments, and improvements in connection with the Premises as may seem judicious to Mortgagee, to insure and reinsure the Premises and all risks incidental to Mortgagee's possession, operation, and management thereof, and to receive all rents, issues, deposits, profits, and avails therefrom; and

(f) apply the net income, after allowing a reasonable fee or the collection thereof and for the management of the Premises, to the payment of Taxes, Premiums and other charges applicable to the Premises not covered by a tax or insurance escrow, and the to the current operating expenses of the Premises. The current operating expenses shall include an amount for debt service equal only to monthly payments of principal and interest without regard to acceleration of any amounts due under the Note or this Mortgage or any of the other Loan Documents.

Nothing herein contained shall be construed as constituting Mortgagee a mortgagor in possession in the absence of the actual taking of possession of the Premises.

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22. Insurance During Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy, if not applied in rebuilding or restoring the improvements, as aforesaid, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. In the case of foreclosure of this mortgage, the court, in its decree, may provide that the mortgagee's clause attached to each of the casualty insurance policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said casualty insurance policies making the loss thereunder payable to said decree creditors; and any such

21. Foreclosure Sale. The proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order or priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in paragraph 18 hereof; second, all other items which, under the terms hereof, constitute indebtedness hereby secured additional to that evidenced by the note, with interest on such items as herein provided; third, to interest remaining unpaid upon the Note; and lastly, any surplus to Mortgagee, and the successors or assigns, as their rights may appear.

20. Receiver. Upon the filing of a complaint to foreclosure this mortgage or at any time thereafter, the court in which such complaint is filed may appoint a receiver of the premises pursuant to the Act. Such appointment may be made either before or after sale, without notice, without regard to solvency or insolvency of Mortgagee at the time of application for such receiver, and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not; and Mortgagee hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have the power to collect the rents, issues and profits of the premises during the pendency of such foreclosure suit and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when Mortgagee, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits, and such receiver shall have all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the premises in payment in whole or in part of: (a) the indebtedness hereby secured or the indebtedness secured by a decree foreclosing this mortgage, or any tax, special assessment, or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or (b) the deficiency in case of a sale and deficiency.

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foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statutes in such case made and provided, then in every such case, each and every successive redepton may cause the preceding loss clause attached to each casualty Insurance Policy to be cancelled and a new loss payable clause to be attached thereto, making the loss thereunder payable to such redepton. In the event of foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all Insurance Policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of

the Insurance Policies without credit or allowance to Mortgagor for prepaid premiums thereon.

23. Waiver of Right of Redemption and Other Rights. To the full extent permitted by law, Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, pursuant to Section 15-1205(b) of the Act or in any other manner whatsoever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or after such sale or sales claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagor and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and of all other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Mortgagor agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Mortgagee, but will suffer and permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note. Mortgagor acknowledges that the Premises do not constitute agricultural real estate as defined in Section 15-1201 of the Act or residential real estate as defined in

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the Act.

24. Rights Cumulative. Each right, power and remedy herein conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter provided by law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient to Mortgagee. The exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein. Except as otherwise specifically required herein, notice of the exercise of any right, remedy or power granted to Mortgagee by this Mortgage is not required to be given.

25. Successors and Assigns.

A. Holder of the Note. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon Mortgagee and its successor and assigns (including, without limitation, each and every record owner from time to time of the Premises or any other person having an interest therein), and shall inure to the benefit of Mortgagee and its successors and assigns. Wherever herein Mortgagee is referred to, such reference shall be deemed to include the holder from time to time of the Note, whether so expressed or not; and each such holder from time to time of the Note shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereunder, and may enforce all and every of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such holder of the Note from time to time were herein by name specifically granted such rights, privileges, powers, options and benefits and was herein by name designated Mortgagee.

B. Covenants Run With Land; Successor Owners. All of the covenants of this Mortgage shall run with the Land and be binding on any successor owners of the Land. In the event that the ownership of Premises or any portion thereof becomes vested in a person or persons other than Mortgagee, Mortgagee may, without notice to Mortgagee, deal with such successor or successors in interest of Mortgagee with reference to this Mortgage and the Indebtedness Hereby Secured in the same manner as with Mortgagee without in any way releasing or discharging Mortgagee from its obligations hereunder. Mortgagee will give immediate written notice to Mortgagee of any conveyance, transfer or change of ownership of the

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Premises, but nothing in this Paragraph shall vary or negate the provisions of Paragraph 16 hereof.

26. Effect of Extensions and Amendments. If the payment of the Indebtedness Hereby Secured, or any part thereof, be extended or varied, or if any part of the security or guaranties therefor be released, all persons now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability, and the lien, and all provisions hereof, shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding any such extension, variation or release. Any person, firm or corporation taking a junior mortgage, or other lien upon the Premises or any part thereof or any interest therein, shall take the said lien subject to the rights of Mortgagee to amend, modify, extend or release the Note, this Mortgage or any other document or instrument evidencing, securing or guarantying the Indebtedness Hereby Secured, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

27. Future Advances. At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures as part of the Indebtedness Hereby Secured the payment of any and all loan commissions, service charges, liquidated damages, attorneys' fees, expenses and advances due to or incurred by Mortgagee in connection with the Indebtedness Hereby Secured, all in accordance with the Note, this Mortgage, and the other Security Documents; provided, however, that in no event shall the total amount of the Indebtedness Hereby Secured, including loan proceeds disbursed plus any additional charges, exceed 200% of the face amount of the Note.

28. Execution of Separate Security Agreements, Financing Statements, Etc., Estoppel Letter. Mortgagor will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, conveyances, notes, mortgages, security agreements, financing statements and assurances as Mortgagee shall from time to time require for the better assuring, conveying, mortgaging, assigning and confirming unto Mortgagee all property mortgaged hereby or property intended so to be, whether now owned by Mortgagor or hereafter acquired. Without limitation of the foregoing, Mortgagor will collaterally assign to Mortgagee, upon request, as further security for the Indebtedness Hereby Secured, its interests in all agreements, contracts, licenses and permits affecting the Premises, such assignments to be made by instruments satisfactory to Mortgagee, but no such assignment shall be construed as a consent by the Mortgagee to any agreement, contract, license or permit or to impose upon Mortgagee any obligations with respect thereto. From time to time, Mortgagor will furnish within five (5) days after Mortgagee's request a

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written and duly acknowledged statement whether any alleged offsets or defenses exist against the Indebtedness Hereby Secured.

29. Subrogation. If any part of the Indebtedness Hereby Secured is used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any prior lien or encumbrance upon the Premises or any part thereof, then Mortgagee shall be subrogated to the rights of the holder thereof in and to such other lien or encumbrance and any additional security held by such holder, and shall have the benefit of the priority of the same.

30. Option to Subordinate. At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases of all or any part of the Premises upon the execution by Mortgagee and recording thereof, at any time hereafter, in the Office of the Recorder of Deeds in and for the county wherein the Premises are situated, of a unilateral declaration to that effect. Mortgagee agrees that as long as Mortgagor has not committed a Default hereunder, and provided that each such tenant executes a subordination agreement in recordable form reasonably acceptable to Mortgagee, it shall execute a non-disturbance agreement with each such tenant in form reasonably acceptable to it.

31. Governing Law. The place of negotiation, execution, and delivery of this Mortgage and the location of the Premises being the State of Illinois, this Mortgage shall be construed and enforced according to the laws of that State, without reference to the conflicts of law principles of that State.

32. Business Loan. Mortgagor certifies and agrees that the proceeds of the Note will be used for the purposes specified in 815 Illinois Compiled Statutes 205/4, and that the principal obligation secured hereby constitutes a "business loan" coming within the definition and purview of said section.

33. Inspection of Premises and Records. Mortgagee and its representations and agents shall have the right to inspect the Premises and all books, records and documents relating thereto at all reasonable times, and access thereto shall be permitted for that purpose. Mortgagor shall keep and maintain full and correct books and records showing in detail the income and expenses of the Premises and, within ten (10) days after demand therefor by Mortgagee, to permit Mortgagee or its agents to examine such books and records and all supporting vouchers and data at any time and from time to time on request at its offices at the address hereinafter identified or at such other location as may be mutually agreed upon.

34. Financial Statements. If required by Mortgagee,

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Mortgagor will, within ninety (90) days after the end of each calendar year, furnish to Mortgagee financial and operating statements of the Premises and Wayne Cox for such fiscal year, including, but without limitation, rent roll certified by Borrower, if there are any leases, a balance sheet and supporting schedules, detailed statement of income and expenditures and supporting schedules, including depreciation schedules and federal income tax figures, all prepared in accordance with generally accepted principles of accounting consistently applied. Such financial and operating statements, together with a statement that Lender is entitled to rely thereupon, shall be prepared by an accountant, the identity of which is reasonably acceptable to Mortgagee, and certified by Mortgagor in such manner as may be reasonably acceptable to Mortgagee, and Mortgagee may, by notice in writing to Mortgagor, at Mortgagor's expense, audit the respective books and records at the Premises.

35. Time of the Essence. Time is of the essence of the Note, this Mortgage, and any other document or instrument evidencing or securing the Indebtedness Hereby Secured.

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

37. Notices. Any notice, demand or other communication which any party hereto may desire or may be required to give to any other party hereto shall be in writing, and shall be deemed given if and when personally delivered, or on the second business day after being deposited in United States registered or certified mail, postage prepaid, or on the first business day after being sent by overnight courier, fee prepaid, addressed to a party at its address set forth below, or to such other address as the party to receive such notice may have designated to all other parties by notice in accordance herewith:

If to Mortgagee: Plaza Bank
7460 W. Irving Park Road
Norridge, Illinois 60634
Attn: Robert Wareham

with a copy to: Lapin & Associates
300 W. Washington Street
Suite 409
Chicago, Illinois 60606
Attn: Andrew W. Lapin, Esq.

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If to Mortgagor: Michal Kuchejda and
Elizabeth Kuchejda
5242 W. Diversey Avenue
Chicago, Illinois

Except as otherwise specifically required herein, notice of the exercise of any right, power or option granted to Mortgagee by this Mortgage is not required to be given.

38. Representation of Title. At the time of the delivery of these presents, the Mortgagor is well seized of an indefeasible estate in fee simple in the portion of the Premises which constitutes real property and owns good title to the portion of the Premises which constitutes personal property, has good right, full power and lawful authority to convey and mortgage and grant a security interest in the same, in the manner and form aforesaid, and that the same is free and clear of all liens, charges, easements, covenants, conditions, restrictions and encumbrances whatsoever, including, as to the personal property and fixtures, security agreements, conditional sales contracts and anything of a similar nature; and that the Mortgagor shall and will forever defend the title to the Premises against the claims of all persons whomsoever.

39. Lender agrees to release this Mortgage upon payment of \$300,000.00 by Mortgagor to Mortgagee provided however, that Mortgagor is not in Default or no Event of Default has occurred as those terms are defined in the Note and the Loan Documents.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly signed, sealed and delivered the day and year first above written. Subject to attached Addendum.

MORTGAGOR:

[Signature]

Michal Kuchejda (a/k/a Michael Kuchejda)

[Signature]

Elizabeth Kuchejda

Elizabeth Kuchejda joins in the execution of this mortgage for the sole purpose of waiving homestead rights. *[Signature]*
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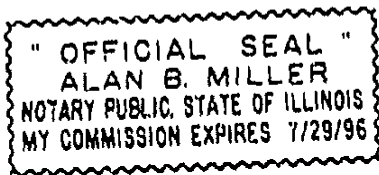
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STATE OF ILLINOIS)
COUNTY OF COOK) SS.

I, AB MILLER, a Notary Public in and for said County, in the State aforesaid, do hereby certify that on this day personally appeared before me Michael Kuchejda a/k/a Michael Kuchejda and Elizabeth Kuchejda, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and deed, for the uses and purposes therein set forth, including the waiver of rights of redemption and waiver of all rights and benefits under and by virtue of the homestead exemption laws of this state.

GIVEN under my hand and notarial seal this 10th day of June, 1996.

(NOTARIAL SEAL)



Alan B. Miller
Notary Public

My commission expires: _____

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EXHIBIT A

Legal Description

LOT 2 (EXCEPT THE WEST 94 FEET AND 8 ½ INCHES THEREOF) IN BLOCK 1 IN SHIPMAN, BILL AND MERRILL'S SUBDIVISION OF THE EAST ¼ OF THE NORTHEAST ¼ OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 13 35 201 020

Property Common Address: 2350 N. Kedzie, Chicago, Illinois

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ADDENDUM

Anything to the contrary contained in the document to which this is attached notwithstanding, the terms hereof shall govern and control.

1. So long as the loan evidenced or secured hereby is then in good standing, borrower/mortgagor shall settle its own insurance claims and may use any insurance proceeds to restore his/her/its property. If restoration is pursued, the insurance proceeds shall be held by mortgagee or an Illinois authorized title insurance company designated by mortgagee and disbursed as provided in the Mortgage.

2. Wherever borrower's/mortgagor's financial statements are required, they shall be unaudited compiled financial statements and furnished not more frequently than quarterly.

BANK/LENDER/MORTGAGEE

MORTGAGOR

Plaza Bank, an Illinois
banking corporation

By:

its

Michael Kuchejda a/k/a/ Michael Kuchejda

Elizabeth Kuchejda

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