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COOK COUNTY RECORDER

ILLINOIS CONSTRUCTION LOAN MORTGAGE AND SECURITY AGREEMENT

THIS ILLINOIS CONSTRUCTION LOAN MORTGAGE AND SECURITY AGREEMENT (this "Mortgage") is made as of June 28, 1996, by NORTHBROOK REAL ESTATE, L.L.C., an Illinois limited liability company, with an address of c/o HSM Construction Services, Inc., 11701 Borman Drive, Suite 315, St. Louis, Missouri 63146 ("Mortgagor"), in favor of ROSEWOOD FINANCING, L.L.C., a Missouri limited liability company with an address of c/o HSM Construction Services, Inc., 11701 Borman Drive, Suite 315, St. Louis, Missouri 63146 ("Mortgagee").

W I T N E S S E T H:

WHEREAS, Mortgagee and MERCANTILE BANK OF ST. LOUIS NATIONAL ASSOCIATION ("Bank") have entered into a certain Revolving Loan Agreement dated August 25, 1994 (as amended, the "Loan Agreement") which describes the terms and conditions upon which Bank will lend and Mortgagee will borrow funds which will subsequently be lent by Mortgagee to Mortgagor and other companies affiliated with Mortgagee, the performance of which terms and conditions have been guaranteed by Mortgagor as to the portion of the funds lent by Mortgagee to Mortgagor;

WHEREAS, Mortgagee has agreed to lend and Mortgagor has agreed to borrow up to the maximum amount of \$13,125,000.00 for the purpose of financing the construction of certain improvements;

WHEREAS, Mortgagor has executed and delivered to Mortgagee, that Promissory Note of Mortgagor dated June 28, 1996 (the "Note"), which Note is payable to the order of Mortgagee in the principal amount of Thirteen Million One Hundred Twenty-Five Thousand Dollars (\$13,125,000.00), provides for interest as therein set forth, and has a stated maturity date of August 25, 1999; and

WHEREAS, Mortgagee is now or hereafter may become otherwise obligated or indebted to Bank, and Bank may make future advances to Mortgagee pursuant to the terms of the Loan Agreement; Mortgagor may incur future obligations to Mortgagee, whether pursuant to the Note or the Loan Agreement (which Note and Loan Agreement are collectively herein called the "Debt Instruments"),

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which Debt Instruments refer to this Mortgage; and each future advance shall have the same priority as the first advance; and

WHEREAS, the parties intend that this Mortgage shall secure the payment of any and all other present and future indebtedness (principal, interest, fees and other amounts), liabilities and obligations of Mortgagor to Mortgagee arising under either of the Debt Instruments, including any and all amendments, modifications, extensions or renewals thereof, whether now existing or made or incurred after the date of execution of this Mortgage, in the maximum principal amount (exclusive of sums spent for the reasonable protection of the security of this Mortgage and for completion of the project described in the Loan Agreement, if any), of Thirteen Million One Hundred Twenty-Five Thousand Dollars (\$13,125,000.00) (collectively, the "Indebtedness");

NOW, THEREFORE, in order to secure the payment of the Indebtedness and the performance and observance by Mortgagor of every covenant and condition herein contained, and for and in consideration of the premises and of the debt above described, and the sum of One Dollar (\$1.00) duly paid by Mortgagee on or before the execution of this Mortgage, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Mortgagor, Mortgagor by these presents does hereby grant, bargain and sell, mortgage, warrant, convey and confirm, assign, transfer and set over unto said Mortgagee, and unto its successors and assigns, forever, the real estate, chattels real, personal property and other properties, interests and rights located in Cook County, Illinois (herein collectively sometimes referred to as the "Mortgaged Property"), as described in Exhibit A attached hereto and incorporated by reference;

TOGETHER with (1) all buildings, improvements and structures at any time, now or hereafter, erected, situated or placed thereon; (2) all rights, privileges, easements, hereditaments, appurtenances and appurtenances thereunto belonging or in anywise appertaining; (3) all right, title, interest and estate of Mortgagor in and to streets, roads, ways, sidewalks, curbs, alleys and areas adjoining said real estate and portions thereof, and whether vacated by law or ordinance (conditionally or otherwise); (4) all rents, revenues, income, issues and profits, which are hereby specifically assigned, transferred and pledged primarily and on a parity with said real estate; (5) all fixtures, fixed assets and personalty now or at any time hereafter annexed, affixed or attached to said real estate and/or said buildings, improvements or structures thereon and all replacements, additions and substitutions thereof or thereto, including (but not limited to) all apparatus, appliances, machinery, equipment and articles used to supply or provide, or in connection with, heat, gas, air-conditioning, plumbing, water, lighting, power, elevator, sewerage, cleaning, refrigeration, cooling, ventilation and

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sprinkler systems, all water heaters, ranges, stoves, dishwashers and disposals, all window shades, drapes and drapery equipment and apparatus, all carpeting, tile and floor coverings, all fire prevention and extinguishing apparatus, all security and access control apparatus, and all trees, plants and landscaping; (6) all other personal property, whether now owned or hereafter acquired by Mortgagor, and used or intended to be used in the possession, occupation or enjoyment thereof, and all replacements, additions and substitutions thereof and thereto, including (but not limited to) all furniture, furnishings and equipment, all appliances, all shelving and storage apparatus, all construction goods and materials whether or not the same have been incorporated into the building or improvements thereon, and all tools, supplies and equipment used in connection with construction, repair, maintenance, janitorial or groundskeeping services thereon or therefor, excluding, however, property of residents, medicines, expendable supplies, foodstuffs, motor vehicles and other titled property, and all computers, copy, and facsimile machines and other equipment leased by Mortgagor; (7) all existing and hereafter created or acquired accounts (unless otherwise agreed), contract rights and general intangibles arising from or relating in any manner to the foregoing or the development or operation thereof except accounts receivable; (8) all books, records, reports, tests, surveys, plans, specifications, permits, licenses and documents of any kind or nature relating to the foregoing or the development or operation thereof; and (9) all products and proceeds of any of the foregoing, including insurance proceeds.

TO HAVE AND TO HOLD the Mortgaged Property and every part thereof unto said Mortgagee, and unto its successors and assigns, forever, to secure the payment of all of the Indebtedness and the performance and observance by Mortgagor of every covenant and condition contained in the Loan Agreement and herein contained and any amounts expended by Mortgagee to complete the project described in the Loan Agreement.

Representations and Warranties

Mortgagor represents and warrants: (i) that it is lawfully seized and possessed of a good and indefeasible title and estate in fee simple to the Mortgaged Property and Mortgagor will forever warrant and defend the title to said Mortgaged Property and every part thereof unto Mortgagee against the claims and demands of all persons whomsoever; and (ii) that except as permitted in the Loan Agreement, the Mortgaged Property and every part thereof is free and clear of any and all liens, encumbrances and charges of every kind and character, including liens of general and special taxes and assessments, excepting taxes for the current year which are not yet due, excepting the lien of this Mortgage, and excepting any easements, rights of way or restrictions of record shown as special exceptions in any title insurance policy insuring this Mortgage.

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The term "Hazardous Substance" as used in this Mortgage shall include those substances defined as hazardous substances in 42 U.S.C. § 9601(14) and all other substances now or hereafter defined as hazardous, toxic, dangerous or otherwise regulated under any international, federal, state or local laws, rules or regulations pertaining to environmental pollution, contamination, protection, or waste management, treatment, storage, handling or disposal, and any other materials or substances, the exposure to which is prohibited, limited or regulated by any governmental authority, including, but not limited to explosives, radioactive materials, asbestos, polychlorinated biphenyls (PCB's), petroleum products and radon gas. Mortgagor understands that Mortgagee is relying on this certification and would not make this loan without the following certifications. Mortgagor certifies to Mortgagee that: (1) Mortgagor has inspected the Mortgaged Property and has researched and investigated the prior uses of the Mortgaged Property and all adjoining properties and to the best of Mortgagor's knowledge no Hazardous Substances exist on, in, under or about the Mortgaged Property or, to the best of Mortgagor's knowledge, on any adjoining property; (2) to the best of Mortgagor's knowledge the Mortgaged Property has never been used as a waste disposal site, a storage site for petroleum products or chemicals or as a manufacturing site; (3) no existing structures or improvements on the Mortgaged Property contain asbestos or asbestos containing material (whether or not the same is friable); (4) to the best of Mortgagor's knowledge there are not now nor have there been any underground storage tanks on the Mortgaged Property; (5) Mortgagor will not allow any person now or hereafter occupying the Mortgaged Property to bring Hazardous Substances on to the Mortgaged Property or to process or store or dispose such substances on the Mortgaged Property except in the ordinary course of Mortgagor's current business and in complete compliance with all applicable laws and regulations; and (6) Mortgagor has checked with the applicable federal, state and local environmental protection offices, and with the local fire department, and there are no complaints on file or matters pending in said offices alleging, condemning or indicating any allegation of Hazardous Substances now or at any time in the past on the Mortgaged Property, and neither the Mortgaged Property nor the properties adjacent thereto are identified or contained on any listing of actual, suspected or potential hazardous waste sites.

Covenants

Mortgagor hereby expressly covenants and agrees with Mortgagee that:

- (1) Payment of Obligations. Mortgagor will duly pay all of the Indebtedness and interest thereon, punctually as and when the same shall become due and payable according to the terms thereof.

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(2) Due on Sale or Encumbrance. Mortgagor will not, without the prior written consent of Mortgagee, which will not be unreasonably withheld, transfer, convey or otherwise part with title to any of the Mortgaged Property, or any portion thereof or ownership interest therein; or without the prior written consent of Mortgagee (which consent will not be unreasonably withheld) create or permit or allow to exist or to be created any mortgage, deed of trust, pledge or other lien or encumbrance on any of the Mortgaged Property, other than this Mortgage, and as permitted in the Loan Agreement except Mortgagor may convey the Mortgaged Property to an entity in which Larry D. Vander Maten owns 51% or more of the voting interest directly or indirectly; or without the prior written consent of Mortgagee which shall not be unreasonably withheld, lease the Mortgaged Property except to an entity in which Larry D. Vander Maten owns 51% or more of the voting interest, directly or indirectly; or Mortgagor will not suffer or permit any mechanic's or materialmen's lien or any other lien of any nature whatsoever to attach to any of the Mortgaged Property or to remain outstanding against the same or any part thereof; provided, however, that Mortgagor shall have the right to contest any mechanic's or materialman's lien so long as said contest is made in good faith and diligently pursued by Mortgagor and Mortgagor provides to Mortgagee security in form and amount reasonably satisfactory to Mortgagee to cover said contested lien.

(3) Insurance.

(a) Mortgagor shall at all times at the cost and expense of Mortgagor keep all of the Mortgaged Property of an insurable nature constantly insured in amounts and types as required under the Loan Agreement;

(b) All insurance moneys received on account of any loss or damage to the Mortgaged Property, after deducting therefrom the reasonable charges and expenses paid or incurred in connection with the collection and disbursement of said moneys, may be used and applied, at the option of Mortgagee, either for the purpose of paying the cost of repair, restoration or replacement of the Mortgaged Property damaged or destroyed, or applied to the prepayment, or partial prepayment, of the Indebtedness secured hereby in such order and manner as Mortgagee may elect; and

(c) Mortgagor grants to Mortgagee full power and authority to make proof of loss under any and all insurance policies, either in the name of Mortgagor, or in the name of Mortgagee, and to adjust, settle, collect and receipt for all insurance, and to endorse for and in behalf and in the name of Mortgagor any check, draft or other instrument

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received therefor, and to collect the proceeds thereof, and also, if an Event of Default shall have occurred hereunder, to collect and receipt for any unearned premiums and to apply same on the Indebtedness secured hereby in such order and manner as Mortgagee may elect; provided however that prior to default, Mortgagor may settle all claims with Mortgagee's approval, not to be unreasonably withheld. In the event of foreclosure sale, any and all insurance policies may be assigned without consent of Mortgagor, and Mortgagor authorizes Mortgagee to assign said policies to the purchaser or purchasers at such foreclosure sale, or if Mortgagee elects so to do, Mortgagee may collect any unearned premiums and apply the same on the Indebtedness secured hereby in such order and manner as Mortgagee may elect.

(d) Notwithstanding subparagraph (b) above, so long as there shall be no Event of Default hereunder, (i) if the amount of such loss proceeds is less than \$250,000.00, Mortgagee shall release loss proceeds to Mortgagor to restore or rebuild the Mortgaged Property or (ii) if the amount of such loss proceeds equals or exceeds \$250,000.00, such proceeds shall be held by Mortgagee and disbursed in accordance with such terms and procedures as Mortgagee shall require, including, but not limited to Mortgagee's approval of cost estimates, plans and specifications and contracts for such repair work, the deposit of sufficient funds with Mortgagee to complete the repair and restoration, disbursement in accordance with the terms of the Loan Agreement and title insurance against mechanic's liens.

- (4) Indemnity. Mortgagor will protect, save harmless and indemnify Mortgagee from and against any and all claims, demands, damages, losses (including attorney's fees), liabilities, costs and expenses, of whatever nature, which may arise or result, directly or indirectly by reason of the use or occupation of the Mortgaged Property or any part thereof or any failure by Mortgagor to comply with the covenants contained herein.
- (5) Repairs. Mortgagor will at all times keep the Mortgaged Property and every part thereof in good repair and condition, without any liability of Mortgagee to any person for damage for failure to repair or for any other cause, and Mortgagor will from time to time make all needful and proper repairs, restorations, renewals and replacements thereof, so that at all times the value of the security and the efficiency of the Mortgaged Property and every part thereof shall be fully preserved and maintained, and Mortgagor will not cause or permit any waste on or of the Mortgaged Property or otherwise permit or allow the Mortgaged

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Property, or any part thereof, to depreciate in value by any act or neglect.

- (6) Compliance. Mortgagor will not use or permit to be used the Mortgaged Property or any part thereof in any manner inconsistent with the rights of Mortgagee hereunder, or in violation of the provisions of any insurance policy or any rules or regulations of insurance underwriters, and in the use of said Mortgaged Property will comply with, or cause to be complied with, all laws, ordinances, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body, officer or department applicable to the Mortgaged Property or to the uses and purposes thereof, and will maintain and use the Mortgaged Property in full compliance therewith and in condition requisite thereunto.
- (7) Condemnation. In the event the Mortgaged Property, or any part thereof, be taken through condemnation proceedings or by virtue of the exercise of the right of eminent domain or pursuant to governmental action, any and all amounts awarded in any such condemnation proceeding for the taking of the Mortgaged Property, or any part thereof, are hereby assigned to and shall be paid to Mortgagee, and when received by Mortgagee, after deducting all reasonable charges and expenses paid or incurred in connection with the collection and disbursement thereof, the same may be applied to the Indebtedness secured hereby in such order and manner as Mortgagee may elect, or, at the option of Mortgagee, the same may be applied in whole or in part to the replacement of that part of the Mortgaged Property so taken, or to the repair or restoration of that part of the Mortgaged Property not so taken. So long as there shall be no event of default hereunder, condemnation proceeds shall be applied in the same fashion as insurance proceeds under paragraph 3(d) above.
- (8) Destruction. In the event any part of the Mortgaged Property or any additions, betterments, substitutions or replacements shall be destroyed or damaged by any party or from any cause whereby Mortgagor becomes entitled to indemnity therefor from any third person or persons, Mortgagor, for the considerations named, does hereby sell, assign and transfer to Mortgagee all of such sum or sums so due from any such third person or persons, and Mortgagee is hereby authorized to receive, collect and sue for the same and Mortgagor hereby authorizes and directs that such sum or sums be paid to Mortgagee upon presentation of a duly certified copy of this Mortgage. Any and all sums received by Mortgagee hereunder, after deducting therefrom the reasonable charges and expenses paid or incurred in connection with the collection and disbursement of said

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moneys, may be used and applied at the option of Mortgagee either for the purpose of paying the cost of repair, restoration or replacement of the Mortgaged Property damaged or destroyed, or applied to the prepayment, or partial prepayment, of the Indebtedness secured hereby in such order and manner as Mortgagee may elect, subject however, to the provisions contained in paragraph (3) (d) above.

- (9) Taxes. Mortgagor hereby covenants and agrees to pay any and all taxes, assessments, liens and other charges levied or assessed against the Mortgaged Property, or any part thereof, prior to the time the same shall become delinquent, and Mortgagor shall promptly provide Mortgagee with proof of payment thereof; provided, however, that Mortgagor shall have the right to contest such taxes or assessments, so long as said contest is made in good faith and diligently pursued by Mortgagor and Mortgagor provides to Mortgagee security in a form and in an amount reasonably satisfactory to Mortgagee to cover said contested tax or assessment.
- (10) Hazardous Substances. Mortgagor shall comply with any and all laws, regulations or orders with respect to the discharge and removal of Hazardous Substance (as hereinbefore defined), pay immediately when due the cost of removal of any such Hazardous Substance and keep the Mortgaged Property free of any lien imposed pursuant to any such law, rule, regulation or executive order. In the event Mortgagor fails to do so, after notice to Mortgagor and the expiration of any applicable statutory cure period, if any, permitted under applicable law, rule, regulation or executive order, Mortgagee may declare this Mortgage to be in default and cause the Mortgaged Property to be freed from and decontaminated of the Hazardous Substance. In order to protect the security interest hereby created, Mortgagor shall give to Mortgagee, its agents and employees access to the Mortgaged Property and hereby expressly grants to Mortgagee a license to (but in no case shall Mortgagee be in any way obligated or required to) remove any Hazardous Substance. Except in the case of Mortgagee's gross negligence or intentional acts, Mortgagor shall indemnify Mortgagee and hold it harmless from and against any and all losses, costs, damages and expenses (including, without limitation, attorneys' fees and expenses whether or not litigation is commenced) that Mortgagee may incur as a result of or in connection with the assertion against Mortgagor, Mortgagee or the Mortgaged Property of any claim relating to either the presence or removal of any Hazardous Substance referred to herein, or compliance with any federal, state or local rule, regulation or executive order relating thereto.

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- (11) Inspections. Mortgages, and its agents, representatives or workmen, are hereby authorized to enter at any reasonable time upon or in any part of the Mortgaged Property for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform hereunder subject to any restrictions set forth in the Loan Agreement.
- (12) Title Disputes. Should Mortgagee be made a defendant in any suit involving the title to any of the Mortgaged Property, or involving the validity or priority of the lien of this Mortgage, then it is agreed that in every such case an attorneys' fee in a reasonable amount shall be fixed by the court in which said suit may be pending, and may be adjudged in favor of the attorney or attorneys of record representing said parties, which fee shall be adjudged against Mortgagor, on motion made therein therefor as a part of the costs of such proceedings, and that such reasonable costs and expenses of said parties, shall also be fixed and adjudged as costs therein by the court, and it is agreed that all such fees, costs and expenses of every such proceeding shall be adjudged against said Mortgagor, and when so adjudged shall be secured by this Mortgage.
- (13) Cure Payments. If Mortgagor shall fail to pay any tax, assessment, lien or other charge levied or assessed against the Mortgaged Property, or any part thereof, or shall fail to keep and perform any of the covenants and conditions herein contained, Mortgagee shall be privileged, but shall not be obligated, to pay any such tax, assessment, lien, rent or other charge, to redeem such property from any sale or foreclosure for taxes or assessments or liens, to effect and pay for insurance required hereunder, to perform or pay for any other obligations, and to make such other disbursements as are necessary or advisable in the opinion of Mortgagee to cure any default of Mortgagor hereunder or protect the lien or the rights of Mortgagee hereunder; any and all such sums of money advanced for such purposes by Mortgagee shall be deemed additional Indebtedness secured by this Mortgage and shall be payable on demand with interest accruing from the time so advanced at the highest rate per annum set forth under the Debt Instruments (or if no rate is specified, at the maximum lawful rate), and failure on the part of Mortgagor to repay the amounts so advanced on demand shall constitute an event of default hereunder; provided, however, nothing herein contained shall be construed as requiring Mortgagee to effect such insurance or to advance or expend money or take any action for any of the purposes aforesaid.
- (14) Security Agreement. This instrument is intended to be a security agreement pursuant to the Uniform Commercial Code

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for any of the items specified as part of the Mortgaged Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Mortgagor hereby grants Mortgagee a security interest in said items, whether now owned or hereafter acquired, and including all products and proceeds of said items. Mortgagor agrees that Mortgagee may file this instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified as part of the Mortgaged Property. Any reproduction of this instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Mortgagor agrees to execute and deliver to Mortgagee, upon Mortgagee's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this instrument, in such form as Mortgagee may require to perfect a security interest with respect to said items. Mortgagor shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Mortgagee may reasonably require. Without the prior written consent of Mortgagee, which shall not be unreasonable withheld, Mortgagor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon the occurrence of an event of default as hereinafter provided, Mortgagee shall have the remedies of a secured party under the Uniform Commercial Code and, at Mortgagee's option, may also invoke the remedies as otherwise provided in this instrument. In exercising any of said remedies, Mortgagee may proceed against the items of real property and any items of personal property specified as part of the Mortgaged Property separately or together and in any order whatsoever, without in any way affecting the availability of Mortgagee's remedies under the Uniform Commercial Code or of the remedies otherwise provided in this instrument.

Events of Default, Remedies

It is expressly provided and agreed by Mortgagor that in the event any one or more of the following events, each of which shall be, and is hereby defined as an "Event of Default," shall occur, to-wit:

- (a) If Mortgagor fails to pay when due any installment of principal or interest owing on the Note and such payment default is not cured within three (3) days after Mortgagee or Bank gives written notice to Borrower of such default; or

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- (b) If default shall be made by Mortgagor in the due performance of any other covenant, agreement or condition herein contained or required to be performed or observed by Mortgagor, and such default is not cured within thirty (30) days after Mortgagee or Bank gives written notice to Mortgagor of such default; or
- (c) If any representation or warranty contained herein or contained in any other document furnished to Mortgagee or Bank by or on behalf of Mortgagor in connection with the Note shall prove to be in any material respect incorrect; or
- (d) If an event of default (as defined in any of the loan documents), shall occur under the terms of any of other loan documents relating to the Note; or
- (e) If Mortgagor shall become insolvent in bankruptcy definition of the term, or if Mortgagor shall fail generally to pay its debts as such debts become due, or if a voluntary or involuntary case in bankruptcy or reorganization of Mortgagor is filed, (and which in the case of an involuntary case is not dismissed within sixty (60) days after its being filed), or if Mortgagor makes an assignment for the benefit of creditors or if a receiver, trustee or custodian is appointed for Borrower's business or property (and which in the case of an involuntary appointment is not dismissed within sixty (60) days after the appointment), or if any of such events shall have a material adverse affect on Mortgagor's ability to repay the Note; or
- (f) If, in the judgment of Mortgagee or Bank, the improvements are materially injured or destroyed by fire or other casualty or are or will be materially affected by any condemnation proceeding; or
- (g) If an event of default (as defined in the other loan documents) shall occur, under, on or pursuant to the terms of any other indebtedness or other obligation of Mortgagor to Mortgagee or Bank, whether now existing or hereafter arising, including but not limited to any other loan, line of credit, revolving credit, letter of credit or industrial bond financing; provided, however, that the foregoing shall not constitute an Event of Default hereunder unless, as to Mortgagor, such default within the reasonable opinion of Mortgagee or Bank shall have a material adverse effect on such Mortgagor's financial condition; or
- (h) If a tenant terminates or gives notice of its intention to terminate a lease; if a notice is issued stating

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that a default exists under a lease; if a lease ceases to be in full force and effect; if any tenant enters into any material modification of a Lease without the prior written consent of Mortgagee and Bank (which consent will not be unreasonably withheld); if any tenant fails to comply with any material term of a lease; or if any tenant under a Lease becomes insolvent under the bankruptcy definition of the term, unless any of the above is not cured within any applicable cure period; or

- (i) If the applicable management company gives notice of its intention to terminate any Management Agreement; if any Management Agreement ceases to be in full force and effect; if any management company enters into any material modification of the Management Agreement without the prior written consent of Mortgagee and Bank (which consent will not be unreasonably withheld); if any management company fails to comply with any material term of any Management Agreement; or if any management company becomes insolvent under the bankruptcy definition of the term; or
- (j) Should Larry D. Vander Maten cease to be the controlling owner of Mortgagor or should there be any change in the ownership of equity interests in Borrower, directly or indirectly, such that Larry D. Vander Maten owns less than a 51% of equity in voting interest in any of it; provided, however, that any non-voting equity interest in Borrower, directly or indirectly held by his spouse or any person within the first degree of consanguinity shall be attributed to Larry D. Vander Maten for purposes of calculating his equity interest; or
- (k) Should Larry D. Vander Maten die or be adjudicated incompetent; provided, however, that Mortgagor or Bank may not declare an Event of Default until (i) four months after such death or adjudication of incompetency, and (ii) a reasonable determination by Mortgagor or Bank that such death or incompetency ruling will have a material adverse effect on Mortgagee's ability to repay the Note; or
- (l) If any litigation is commenced involving Mortgagee or the Mortgaged Property which in Bank's reasonable opinion will have a material adverse effect on Mortgagee's ability to repay to Note; or
- (m) Sale or encumbrance of any of the Mortgaged Property or any other collateral or security for the Loan if any such sale or encumbrance would have a material adverse

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effect on Mortgagee's ability to repay the Note; or the making of any levy, seizure or attachment of or upon Mortgaged Property or any other collateral or security for the loan, if such levy, seizure or attachment remains unbonded, undismissed or unstayed and in effect for a period of sixty (60) days; however, any indebtedness may be assumed or prior mortgage liens may be placed on the Mortgaged Property with Bank's prior written consent, such consent not to be unreasonably withheld. In addition, the Mortgaged Property may be conveyed to another entity controlled by or owned at least 51% by Larry D. Vander Maten.

THEN, AND IN EACH AND EVERY SUCH EVENT:

(1) The entire outstanding principal balance of all of the Indebtedness secured hereby and all accrued and unpaid interest thereon shall, at the option of Mortgagee, become and be due and payable immediately, anything in the Note or in this Mortgage to the contrary notwithstanding;

(2) Mortgagee shall have the right immediately to foreclose this Mortgage. In any foreclosure proceeding the court shall, upon application, at once, and without notice to Mortgagor, or any party claiming under said Mortgagor, and without giving bond on such application (such notice and bond being hereby expressly waived) and also without reference to the then value of the Mortgaged Property, to the use of said Mortgaged Property as a homestead, or to the solvency or insolvency of any person liable for any the Indebtedness secured hereby, appoint a receiver for the benefit of the legal holder of the Indebtedness secured hereby, to take possession of the Mortgaged Property, with power to collect rents, issues and profits of the Mortgaged Property, then due or to become due, during the pendency of such foreclosure suit, and until the time to redeem the same shall expire (such rents, issues and profits being hereby expressly assigned and pledged as additional security for the payment of the Indebtedness secured by this Mortgage); this provision for appointment of a receiver being expressly a condition upon which the loan hereby secured was made; and Mortgagor hereby further consents that said receiver may, out of the said rents, pay prior or subordinate liens, the taxes, assessments, water rates and insurance on Mortgaged Property, then due or unpaid or accruing whether before or after the filing of such bill, and for any necessary repairs thereon, and management and rental fees and any other proper charges, and the amount of any deficiency decree; provided that, in case of any default or breach, as aforesaid, as a concurrent (and not alternative or exclusive) remedy and measure for making effective the terms, provisions and purposes hereof, it shall be lawful for Mortgagee, its agent

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or attorney forthwith (either with or without process of law) to enter upon and take possession of said Mortgaged Property and to expel and remove any person, goods or chattels, occupying or upon the same, to collect and to receive all the rents, issues and profits therefrom, from time to time, to manage and control the same and make all necessary repairs, and lease the same or any part thereof at such rentals as in its sole discretion it may deem just and reasonable, and after deducting all reasonable attorneys' fees and all expenses incurred in the protection, care, repair and management of said Mortgaged Property, apply the remaining income upon the Indebtedness hereby secured in the same manner as is hereafter provided upon the sale of said mortgaged property under foreclosure; and said Mortgagor hereby expressly releases and waives any and all right to possession, control or management of the Mortgaged Property, or to the rents, issues and profits therefrom, after any default or breach of the terms or provisions of this Mortgage and said Mortgagor hereby further expressly releases and waives any and all damages and claims for damages occasioned by such expulsion, except caused by the gross negligence or intentional acts of Mortgagee; and

(3) Mortgagee may exercise all other rights and remedies it has at law or in equity or hereunder.

In the case of foreclosure of the lien of this Mortgage by the Mortgagee, in any court of law or equity, there shall be allowed all court costs and expenses incurred by the Mortgagee, including reasonable attorneys' fees and expenses, stenographers' charges, cost of procuring a complete abstract of title to said Mortgaged Property and continuations thereof, opinions of title or title guaranty policies and continuations thereof covering said foreclosure proceedings, cost of procuring testimony and evidence and all costs and expenses incurred by the Mortgagee in and about any such suit or proceeding, or in the preparation therefor; and in case Mortgagee shall be made party to any suit or legal proceedings by reason of this Mortgage, its costs, expenses and reasonable attorneys' fees in such suit or proceedings shall be paid by Mortgagor on demand and if not paid shall become so much additional Indebtedness hereunder and shall be a further lien or charge upon said Mortgaged Property.

All fees and expenses allowable pursuant to the provisions hereof shall be additional Indebtedness secured hereby and shall be a charge upon said Mortgaged Property and shall constitute a lien thereon prior and paramount to the Indebtedness secured hereby, and whenever possible shall be provided for in any judgment or decree entered in any such proceedings. There shall be included in any decree

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foreclosing the lien of this Mortgage and be paid out of the rents or proceeds of any sale made in pursuance of any such decree in the following order: (i) all costs of such suit or suits, advertising, sale and conveyance, reasonable attorneys' fees of attorneys for the Mortgagee, stenographers' fees, outlays for documentary evidence and costs of abstract and examination of title, title opinions and title guaranty policies; (ii) all moneys advanced by the Mortgagee for any purpose authorized in the Mortgage, with interest on such advances at the highest post-maturity rate of interest applicable under the Note secured hereby; (iii) all the accrued interest remaining unpaid on the Indebtedness secured hereby; and (iv) all of the Indebtedness secured hereby remaining unpaid. The overplus of the proceeds of the sale, if any, shall then be paid to the party entitled thereto. In case, after legal proceedings are instituted to foreclose the lien of this Mortgage, tender is made of the entire Indebtedness due hereunder, Mortgagee shall be entitled to reimbursement for expenses incurred in connection with such legal proceedings, including such expenditures as are enumerated above, and such expenses shall be so much additional Indebtedness secured by this Mortgage, and no such suit or proceedings shall be dismissed or otherwise disposed of until such fees, expenses and charges shall have been paid in full.

Mortgagor, on behalf of itself and all persons now or hereafter interested in the Mortgaged Property or the collateral secured hereby, to the fullest extent permitted by applicable law hereby waives all rights under all appraisement, homestead, moratorium, valuation, exemption, stay, extension, reinstatement and redemption statutes, laws or equities now or hereafter existing, and Mortgagor agrees that no defense, claim or right based on any thereof will be asserted, or may be enforced, in any action enforcing or relating to this Mortgage or any of the collateral secured hereby. Without limiting the generality of the preceding sentence, Mortgagor, on its own behalf and on behalf of each and every person acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage, hereby irrevocably waives any and all rights of reinstatement and rights of redemption from sale under any order or decree of foreclosure of this Mortgage or under any powers contained herein or under any sale pursuant to any statute, order, decree or judgment of any court. Mortgagor, for itself and for all persons hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Mortgage, hereby expressly waives and releases all rights to direct the order in which any of the collateral secured hereby shall be sold in the event of any sale or sales pursuant hereto and to have any of the collateral secured hereby and/or any other property

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now or hereafter constituting security for any of the Indebtedness secured hereby marshalled upon any foreclosure of this Mortgage or of any other security for any of said Indebtedness.

Upon the foreclosure and sale of the Mortgaged Property, or any part thereof, the proceeds of such sale or sales shall be applied as follows: First, to the cost and expense of executing this Mortgage, including reasonable compensation of Mortgagee and reasonable attorney's fees, outlays for documentary stamps, cost of procuring title certificates, continuing abstracts, title searches or examinations reasonably necessary or proper; and, next, to the payment of any and all advances made by Mortgagee with interest thereon as hereinabove provided; next to the payment of the balance of the Indebtedness secured hereby, with interest thereon as therein provided; and any surplus thereafter shall be paid to Mortgagor; provided that in the event the net proceeds of such sale or sales shall not be sufficient to pay in full the Indebtedness hereby secured, Mortgagor hereby promises and agrees to pay any deficiency thereon on demand with interest.

No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy, but every remedy herein provided shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute; and every power and remedy given by this Mortgage to Mortgagee may be exercised from time to time and as often as may be deemed expedient. No delay or omission by Mortgagee to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any default or an acquiescence therein. In case Mortgagee shall have proceeded to enforce any right under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely, then, and in such and every such case, Mortgagor and Mortgagee shall severally and respectively be restored to their former positions and rights hereunder in respect of the Mortgaged Property, and all rights, remedies and powers of Mortgagee shall continue as though no such proceedings had been taken. The unenforceability or invalidity of any provision or provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

If any additional sum or sums shall become due and owing by Mortgagor to Mortgagee, pursuant to the provisions hereof, the affidavit of Mortgagee shall be sufficient evidence of the fact that such additional sums are secured hereby in the amount set forth in such affidavit.

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General Provisions

This Mortgage and all provisions hereof shall extend to and be binding upon Mortgagor and all parties claiming by, through or under Mortgagor. The term "Mortgagee" shall be deemed to mean and include the endorsee(s), transferee(s) or the holder(s) at the time being of the Note and/or any other Indebtedness secured hereby, and the successors and assigns of said Mortgagee, and the covenants and agreements shall bind and inure to the benefit of the heirs, executors, personal representatives, successors and assigns of Mortgagor and the endorsee (s), transferee (s), successors and assigns of Mortgagee. All of the grants, covenants, terms, agreements, provisions and conditions herein contained shall run with the land. Time is of the essence of all of Mortgagor's obligations hereunder. The captions or headings used herein are for the convenience of the parties and are not a part of this Mortgage.

To the extent that proceeds of the Indebtedness secured hereby or advances under this Mortgage are used to pay any outstanding lien, charge or prior encumbrance against the Mortgaged Property, Mortgagee shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released.

If Mortgagor shall well and truly pay or cause to be paid to Mortgagee all of the Indebtedness secured hereby as and when the same shall become due and payable and Mortgagee shall have no further commitment or obligation to lend or advance any additional monies to Mortgagor, then this Mortgage shall cease and be void and the Mortgaged Property hereinbefore conveyed shall be released at the cost of Mortgagor, otherwise to remain in full force and effect.

This Mortgage cannot be changed, modified, amended, supplemented or varied except by an agreement in writing signed by Mortgagor and Mortgagee.

This Mortgage, the Note and any related loan documents shall be governed by and construed in accordance with the internal laws of the State of Missouri except for those certain remedies provided herein which must be governed by the laws of the situs of the Mortgaged Property, that being Illinois.

ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT MORTGAGOR AND MORTGAGEE FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS MORTGAGOR AND MORTGAGEE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN

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MORTGAGOR AND MORTGAGEE, EXCEPT AS MORTGAGOR AND MORTGAGEE MAY LATER AGREE IN WRITING TO MODIFY IT.

MORTGAGOR IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY ACTION RELATING TO THIS TRANSACTION IN WHICH MORTGAGOR IS A PARTY.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage the day and year first above written.

NORTHBROOK REAL ESTATE, L.L.C.

By:


Larry D. Vander Maten,
Manager

0531L.2HR

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STATE OF MISSOURI

County OF ST. LOUIS

)
) SS.
)

On this 26th day of June, 1996, before me appeared Larry D. Vander Maten to me personally known, who, being by me duly sworn, did say that he is the Manager of **NORTHBROOK REAL ESTATE, L.L.C.**, an Illinois limited liability company, and that said instrument was signed and sealed in behalf of said company by authority of its Members; and said Larry D. Vander Maten acknowledged said instrument to be the free act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

(SEAL)

Mia Cakalic
Notary Public

My Commission Expires:

MIA CAKALIC
NOTARY PUBLIC STATE OF MISSOURI
ST. CHARLES COUNTY
MY COMMISSION EXP. MAR. 28, 1999

85316.DHR

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EXHIBIT "A" LEGAL DESCRIPTION OF THE SUBJECT PROPERTY

PARCEL 1:

THE EAST 313 FEET OF THE WEST 473 FEET OF LOT 3 IN COUNTY CLERK'S DIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 6, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPTING FROM SAID TRACT THE SOUTH 17 FEET OF THE NORTH 50 FEET OF SAID EAST 313 FEET OF THE WEST 473 FEET OF THE NORTHEAST 1/4 OF THE EAST 1/2 OF LOT 2 AFORESAID CONVEYED TO THE COUNTY OF COOK BY DEED RECORDED JANUARY 7, 1974 AS DOCUMENT 22587-65), IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER: 04-06-101-007-0000.

PARCEL 2:

THE WEST 160 FEET OF THE NORTHEAST 1/4 OF THE EAST 1/2 OF LOT 2 IN THE NORTHWEST 1/4 OF SECTION 6, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER: 04-06-101-006-000.

Parcel 1 and Parcel 2 are commonly referred to as 4065-4105 Lake Cook Road, Illinois

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