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DEPT-01 RECORDING \$83.00  
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#4295 + CG \* - 96 - 668121  
COOK COUNTY RECORDER

② 7646125 7/2/96

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIS INSTRUMENT PREPARED BY  
AND MAILED TO:

Arnold G. Kaplan  
Arnold G. Kaplan & Associates  
180 N. LaSalle  
Suite 1601  
Chicago, IL 60601

*Boyd*

CT&TM

**BOX 333-CTI**

## MORTGAGE

### ASSIGNMENT OF RENTS AND SECURITY AGREEMENT AND FINANCING STATEMENT

THIS MORTGAGE (herein "Instrument") is made this 29th day of August, 1996 between the Mortgagor/Grantor, Travelers ~~and~~ Immigrants Aid/Chicago Connections, an Illinois not-for-profit corporation, whose address is 208 South LaSalle, Suite 1818, Chicago, Illinois 60604 (herein "Borrower"), and the Mortgagee, Bank of America Illinois Community Development Corporation, a Corporation organized and existing under the laws of the United States, whose address is 231 S. LaSalle, Chicago, Illinois 60697 (herein "Bank"). All capitalized terms used herein which are defined in the Term Loan Agreement dated August 29, 1996 shall have the same meaning herein as in the Term Loan Agreement.

WHEREAS, Borrower is indebted to Bank in the principal sum of Nine Hundred Seventy Two Thousand Dollars, which indebtedness is evidenced by Borrower's note dated the 29th day of August, 1996 providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on September 30, 2001.

TO SECURE TO BANK (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions and modifications thereof; (b) the repayment of any future advances, with interest thereon, made by Bank to Borrower pursuant to paragraph 29 hereof (herein "Future Advances"); (c) the

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payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Instrument; and (d) the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant, convey and assign to Bank the following described property located in Cook County, State of Illinois:

## Legal Description:

LOTS 17 AND 18 IN BLOCK 4 IN F.H. DOLAND'S SUBDIVISION OF THE EAST 414.5 FEET OF THE SECTION 30, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE WEST 175.00 FEET OF SECTION 29, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SOUTH OF THE CHICAGO, EVANSTON AND LAKE SUPERIOR RAILROAD AND THE INDIAN BOUNDARY LINE ROAD, IN COOK COUNTY, ILLINOIS.

Property Address: 1612-1620 W. Chase, Chicago, Illinois  
P.I.N.: 11-30-422-029-0000

Together will all buildings improvements, and tenements now or hereafter erected on the property, and all heretofore or hereafter vacated alleys and streets abutting the property, and all existent future easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the property, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, driers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants, fixtures and all other personal property necessary for the operation of the real estate; all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the real property covered by this Instrument; and all of the foregoing, together with said property (or the leasehold estate in the event this Instrument is on a leasehold) are herein referred to as the "Property".

Financing Statements. Borrower shall execute one or more financing statements and such other documents as Bank may from time to time require to perfect or continue the perfection of Bank's security interest in any Personalty. Borrower shall pay all fees and costs that Bank may incur in filing such documents in public

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offices and in obtaining such record searches as Bank may reasonably require. In case Borrower fails to execute any financing statements or other documents for the perfection or continuation of any security interest, Borrower hereby appoints Bank as its true and lawful attorney-in-fact to execute any such documents on its behalf. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall never be construed as in any way derogating from or impairing this Mortgage or the rights or obligations of the parties under it.

Possession and Use of Collateral. Except as otherwise provided in this Mortgage or the Loan Agreement, so long as no Event of Default exists hereunder, Borrower may possess, use, transfer and dispose of any of the Personalty in the ordinary course of Borrower's business.

Security Agreement. This Mortgage constitutes a security agreement under the Illinois Uniform Commercial Code covering all Personalty.

Financing Statement; Description of Fixtures. This Mortgage constitutes a financing statement under Sections 9-313 and 9-402 of the Illinois Uniform Commercial Code, as amended or recodified from time to time, and covers property which includes goods which are to become fixtures on the Property. "Fixtures" shall include all articles of personal property now or hereafter attached to, placed upon for an indefinite term or used in connection with said real property, appurtenances and improvements, together with all goods and other property which are or at any time become so related to the Property that an interest in them arises under real estate law.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, convey and assign the Property (and, if this Instrument is on a leasehold, that the ground lease is in full force and effect without modification except as noted above and without default on the part of either lessor or lessee thereunder), that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insurance Bank's interest in the Property.

Uniform Covenants. Borrower and Bank covenants and agree as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, and late charges provided in the Note and all other sums secured by this Instrument.

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Optional Prepayments with Fee. Borrower reserves the right to prepay on any installment payment date the unpaid principal balance of this Note, in whole or in part, provided that (a) Borrower gives Bank not less than two (2) business days prior written notice of its intention to do so; and (b) Borrower pays, at the time of such prepayment and in addition thereto, all accrued interest to the date of such prepayment, all other unpaid indebtedness secured by this Note then due and a "Prepayment Fee" as calculated below. The "Prepayment Fee" shall be equal to the amount, if any, by which the present value on the Prepayment Date of the Prepaid Payments exceeds the sum of the Prepaid Principal Payments plus the Prepaid Interest. Such present value shall be calculated by discounting to the Prepayment Date the Prepaid Payments at the per annum Treasury Offered Rate relating to the Weighted Average Maturity of Prepaid Principal Payments on the basis of a year consisting of 365 or 366 days, applicable, for actual days elapsed.

(a) "Prepayment Date" means the date on which a prepayment is to be made.

(b) "Prepaid Interest" means the interest or portion thereof, if any, which has accrued on the indebtedness on the Prepayment Date but which is not scheduled pursuant to the Note to be due and paid until after the Prepayment Date.

(c) "Prepaid Payments" means the Prepaid Principal Payments plus the interest payments, whether installments or otherwise, scheduled pursuant to the Note to be due and paid after the Prepayment Date but which shall not accrue by reason of the prepayment of said Prepaid Principal Payments.

(d) "Prepaid Principal Payments" means the principal payments, whether installments or otherwise, scheduled pursuant to the Note to be due and paid after the Prepayment Date but which are to be prepaid on the Prepayment Date. In the event of a partial prepayment, such scheduled principal payments shall be deemed prepaid in inverse order of maturity.

(e) "Treasury Offered Rate" for the Weighted Average Maturity means the per annum offered rate (as adjusted pursuant to the terms hereof) determined by Bank by reference to the then most recently auctioned U.S. Government Treasury Securities which correspond in maturity to the Weighted Average Maturity, or as interpolated between or among the most recently auctioned U.S. Government Treasury Securities closest in maturities occurring before and after the Weighted Average Maturity, as published on page 5 of the Telerate Screen (or any successor to such page) as of 10:00 a.m., Chicago time, on the Prepayment Date (or a date as near as practicable thereto). If such rate cannot be determined by Bank on such date by reference to the Telerate Screen, such rate shall be determined by Bank on the basis of the arithmetic mean of the offered rates quoted by the Reference Dealers as of 10:00 a.m.,

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Chicago time, on such date for U.S. Government Treasury Securities with maturities determined as aforesaid. If such rate cannot be determined either by reference to the Telerate Screen or on the basis of the offered rates of the Reference Dealers, such rate shall be determined by Bank in good faith from such sources as shall then be available for the purpose. Such rate shall be adjusted to provide for a yield equal to the yield on an instrument paying interest on the same dates as the interest payment dates scheduled pursuant to the Note (or as near as practicable thereto).

(f) "Reference Dealers" means two U.S. Government Treasury Securities dealers in New York or Chicago of recognized standing selected by Bank.

(g) "Weighted Average Maturity" of Prepaid Principal Payments means the period of time (expressed as a number of days) from the Prepayment Date which is equal to the quotient of:

(i) the sum of the products of:  
(A) the amount of each Prepaid Principal Payment,  
and  
(B) the number of days between the Prepayment Date and the scheduled date of each such Prepaid Principal Payment, divided by:

(ii) the aggregate amount of Prepaid Principal Payments.

Other Prepayments. Any prepayment of principal, whether voluntary or involuntary, whether by reason of Default and acceleration, or otherwise, shall be deemed to include a Prepayment Fee or prepayment premium as calculated above.

2. FUNDS FOR TAXES, INSURANCE AND OTHER CHARGES. Subject to applicable law or to a written waiver by Bank, Borrower shall pay to Bank on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of (a) yearly taxes and assessments which may attain priority over this Security Instrument; and (b) yearly hazard insurance premiums. These items are called "escrow items". Bank may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items. Any waiver by Bank of a requirement that Borrower pay such Funds may be revoked by Bank, in Bank's sole discretion, at any time upon notice in writing to Borrower. Bank may require Borrower to pay to Bank, in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Borrower or the Property which Bank shall reasonably deem necessary to protect Bank's interest (herein "Other Impositions"). Unless otherwise provided by applicable law, Bank may require Funds for Other Impositions to be paid by Borrower in a lump sum or in periodic installments, at Bank's option.

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The Funds shall be held in an institution, the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Bank if Bank is such an institution). Bank shall apply the Funds to pay said rates, rents, taxes, assessments, insurance premiums and Other Impositions so long as Borrower is not in breach of any covenants or agreement of Borrower in this Instrument. Bank shall make no charge for so holding and applying the Funds, analyzing said account or for verifying and compiling said assessments and bills, unless Bank pays Borrower interest, earnings or profits on the Funds and applicable law permits Bank to make such a charge. Borrower and Bank may agree in writing at the time of execution of this Instrument that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires interest, earnings or profits to be paid, Bank shall not be required to pay Borrower any interest, earnings or profits on the Funds. Bank shall give to Borrower, without charge, an annual accounting of the Funds in Bank's normal format showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The funds are pledged as additional security for the sums secured by this Instrument.

If the amount of the funds held by Bank at the time at the annual accounting thereof shall exceed the amount deemed necessary by the Bank to provide for the payment of water and sewer rates, taxes, assessments, insurance premiums, rents, and other impositions as they fall due, such excess shall be credited to the Borrower on the next monthly installment or installments of funds due.

If any time the amount of the Funds held by Bank shall be less than the amount deemed necessary by Bank to pay water and sewer rates, taxes, assessments, insurance premiums, rents and Other Impositions as they fall due, Borrower shall pay to Bank any amount necessary to make up the deficiency within thirty (30) days after notice from Bank to Borrower requesting payment thereof.

Upon Borrower's breach of any covenants or agreement of Borrower in this Instrument, Bank may apply, in any amount and in any order as Bank shall determine in Bank's sole discretion, any Funds held by Bank at the time of application (i) to pay rates, rents, taxes, assessments, insurance premiums and Other Impositions which are now or will hereafter become due, or (ii) as a credit against sums secured by this Instrument. Upon payment in full of all sums secured by this Instrument, Bank shall promptly refund to Borrower any excess Funds held by Bank.

3. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Bank from Borrower under the Note or this Instrument shall be applied by Bank in the following order of priority: (i) amounts payable to Bank by Borrower under paragraph 2 hereof; (ii) interest payable on the Note; (iii) principal of the Note; (iv) interest payable on advances made

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pursuant to paragraph 8 hereof; (v) principal of advances made pursuant to paragraph 8 hereof; (vi) interest payable on any Future Advance, provided that if more than one Future Advance is outstanding, Bank may apply payments received among the amounts of interest payable on the Future advances in such order as Bank, in Bank's sole discretion, may determine; (vii) principal of any Future Advance, provided that if more than one Future Advance is outstanding, Bank may apply payments received among the principal balances of the Future Advances in such order as Bank, in Bank's sole discretion, may determine; and (viii) any other sums secured by this Instrument in such order as Bank, at Bank's option may determine; provided, however, that Bank may, at Bank's option, apply any sums payable pursuant to paragraph 8 hereof prior to interest on and principal of the Note, but such application shall not otherwise affect the order of priority of application specified in this paragraph 3.

4. CHARGES; LIENS. Borrower shall pay all water and sewer rates, rents, taxes, assessments, premiums, and Other Impositions attributable to the Property at Bank's option in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof, or in such other manner as Bank may designate in writing. Borrower shall promptly furnish to Bank receipts evidencing such payments. Borrower shall promptly discharge any lien which has, or may have, priority over or equality with, the lien of this Instrument, and Borrower shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property. Without Bank's prior written permission, Borrower shall not allow any lien inferior to this Instrument to be perfected against the Property. As a separate provision, Borrower shall make payment and perform all obligations of mortgagee under a Term Loan Agreement dated August 29, 1996 herein by mortgagor as Borrower and Bank as Bank the "Loan Agreement" and under any "Loan Documents" as defined in the Loan Agreement provided that the mortgage does not secure any provision in any Loan Document that is stated to be unsecure.

5. HAZARD INSURANCE. Borrower shall maintain the following insurance:

(a) All risk property damage insurance in nonreporting form on the Property, with a policy limit in an amount not less than the full insurable value of the Property on a replacement cost basis, including tenant improvements, if any. The policy shall include a business interruption (or rent loss, if more appropriate) endorsement in the amount of twelve months' principal and interest payments, taxes and insurance premiums, a Bank's loss payable endorsement in favor of Bank with a severability of interest clause and a waiver of subrogation rights by the insurer against the Bank, and any other endorsements required by Bank.

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(b) Commercial General Liability coverage with aggregate limits of One Million Dollars (\$1,000,000.00). This policy, at the Bank's election, shall name Bank as an additional insured with a severability of interest clause and a waiver of subrogation rights by the insurer against the Bank. Coverage shall be written on an occurrence basis, not claims made.

(c) Such other insurance as Bank may require.

(d) All policies of insurance required by Bank must be issued by companies approved by Bank and otherwise be acceptable to Bank as to amounts, forms, risk coverages, deductibles, additional insured, and loss payable provisions. In addition, each policy (except workers' compensation) must provide Bank at least thirty (30) days' prior notice of cancellation, non-renewal or modification. At least thirty (30) days before expiration of any required insurance policy, Borrower shall furnish Bank with proof acceptable to Bank that a new policy has been issued, continuing in force the insurance covered by the policy which is expiring. At the same time, Borrower shall also furnish Bank with evidence satisfactory to Bank that all premiums for any such new policy have been paid. If, at least thirty (30) days before a required policy expires, Bank does not receive proof and evidence that a new policy has been issued and that premiums for it have been paid, Bank in Bank's sole discretion may procure a new policy and advance funds to pay the premiums for it. Borrower shall reimburse Bank, on demand, for any funds advanced by Bank to pay insurance premiums, which advances shall be considered to be additional loans to Borrower secured by the Mortgage and bearing interest at the Default Rate provided in the Note.

(e) Wherever provision is made in the Loan Documents for insurance policies to bear mortgage clauses or other loss payable clauses or endorsements in favor of Bank, or to confer authority upon Bank to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds, from and after the entry of judgment of foreclosure, all such rights and powers of the Bank shall continue in the Bank as judgment creditor or mortgagee until confirmation of sale.

6. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS. Borrower (a) shall not commit waste or permit impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Bank may approve in writing, in the event of any damage, injury or loss thereof, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including improvements, fixtures, equipment,

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machinery and appliances thereon in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (f) shall generally operate and maintain the Property in a manner to ensure maximum use, and (h) shall give notice in writing to Bank of and, unless otherwise directed in writing by Bank, appear in and defend any action or proceeding purporting to affect the Property, the security of this Instrument or the rights of powers of Bank. Neither Borrower nor any tenant (if applicable) or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

7. USE OF PROPERTY. Unless required by applicable law or unless Bank has otherwise agreed in writing, Borrower shall not allow changes in the use for which all or any part of the Property was intended at the time this Instrument was executed. Borrower shall not initiate or acquiesce in a change in the zoning classification of the Property without Bank's prior written consent.

8. PROTECTION OF BANK'S SECURITY. If Borrower fails to perform the covenants and agreements contained in this Instrument, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Bank therein, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Bank at Bank's option may make such appearances, disburse such sums and take such action as Bank deems necessary, in its sole discretion, to protect Bank's interest, including, but not limited to, (i) disbursement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of satisfactory insurance as provided in paragraph 5 hereof, and (iv) if this Instrument is on a leasehold, exercise of any option to renew or extend the ground lease on behalf of Borrower and the curing of any default of Borrower in the terms and conditions of the ground lease.

Any amounts disbursed by Bank pursuant to this paragraph 8, with interest thereon, shall become additional indebtedness of Borrower secured by this Instrument. Unless Borrower and Bank agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the rate stated in the Note unless collection from Borrower of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law. Borrower hereby covenants and agrees that Bank shall be subrogated

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to the lien of any mortgage or other lien discharged, in whole or in part, by the indebtedness secured hereby. Nothing contained in this paragraph 8 shall require Bank to incur any expense or take any action hereunder.

9. INSPECTION. Bank may make or cause to be made reasonable entries upon and inspections of the Property, upon reasonable verbal notice to Borrower.

10. BOOKS AND RECORDS. Borrower shall keep and maintain at all times at Borrower's address stated above, or such other place as Bank may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases, if applicable, and other instruments which affect the Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Bank. Upon Bank's request, Borrower shall furnish to Bank, within one hundred and fifty days after the end of each fiscal year of Borrower, a balance sheet, a statement of income and expenses of the Property and a statement of changes in financial position, each in reasonable detail and certified by Borrower and, audited, by an independent certified public accountant. Borrower shall provide Bank Quarterly financial statements within forty five (45) days of the end of each Quarter.

11. CONDEMNATION. Borrower shall promptly notify Bank of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, and Borrower shall appear in and prosecute any such action or proceeding unless otherwise directed by Bank in writing. Borrower authorizes Bank, at Bank's option, as attorney-in-fact for Borrower, to commence, appear in and prosecute, in Bank's or Borrower's name, any action or proceeding relating to any condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, or for conveyance, in lieu of condemnation, are hereby assigned to and shall be paid to Bank subject, if this Instrument is on a leasehold, to the rights of lessor under the ground lease.

Borrower authorizes Bank to apply such awards, payments, proceeds or damages, after the deduction of Bank's expenses incurred in the collection of such amounts, at Bank's option, to restoration or repair of the Property or to payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in paragraph 3 hereof, with the balance, if any, to Borrower. Unless Borrower and Bank otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such

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installments. Borrower agrees to execute such further evidence of assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as Bank may require.

12. BORROWER AND LIEN NOT RELEASED. From time to time, Bank may, at Bank's option, without giving notice to or obtaining the consent of Borrower, Borrower's successors or assigns of any junior lienholder or guarantors, without liability on Bank's part and notwithstanding Borrower's breach of any covenants or agreement of Borrower in this Instrument, extend the time for payment of said indebtedness or any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of said indebtedness, release from the lien of this Instrument any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Borrower to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Any actions taken by Bank pursuant to the terms of this paragraph 12 shall not affect the obligation of Borrower or Borrower's successors or assigns to pay the sum secured by this Instrument and to observe the covenants of Borrower contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured hereby, and shall not affect the lien or priority of lien hereof on the Property. Borrower shall pay Bank a reasonable service charge, together with such title insurance premiums and attorney's fees as may be incurred at Bank's option, for any such action if taken at Borrower's request.

13. FORBEARANCE BY BANK NOT A WAIVER. Any forbearance by Bank in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Bank of payment of any sum secured by this Instrument after the due date of such payment shall not be a waiver of Bank's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Bank shall not be a waiver of Bank's right to accelerate the maturity of the indebtedness secured by this Instrument, nor shall Bank's receipt of any awards, proceeds or damages under paragraphs 5 and 11 hereof operate to cure or waive Borrower's default in payment of sums secured by this Instrument.

14. ESTOPPEL CERTIFICATE. Borrower shall within twenty days of a written request from Bank furnish Bank with a written statement, duly acknowledged, setting forth the sums secured by this Instrument and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this

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Instrument.

15. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT. This Instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Bank a security interest in said items. Borrower agrees that Bank 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 above as part of the Property. Any reproduction of this Instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Bank, upon Bank's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproduction of this Instrument in such form as Bank may require to perfect a security interest with respect to said items. Borrower 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 Bank may reasonably require. Without the prior written consent of Bank, Borrower 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 Borrower's breach of any covenant or agreement of Borrower contained in this Instrument, including the covenants to pay when due all sums secured by this Instrument, Bank shall have the remedies of a secured party under the Uniform Commercial Code and, at Bank's option, may also invoke the remedies provided in paragraph 26 of this Instrument as to such items. In exercising any of said remedies, Bank may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Bank's remedies under the Uniform Commercial Code or of the remedies provided in paragraph 26 of this Instrument.

16. LEASES OF THE PROPERTY. As used in this paragraph 16, the word "lease"(if applicable) shall mean "sublease" if this Instrument is on a leasehold. Borrower shall comply with and observe Borrower's obligations as landlord under all leases of the Property or any part thereof. Borrower will not lease any portion of the Property for non-residential use except with the prior written approval of Bank. Borrower, at Bank's request, shall furnish Bank with executed copies of all leases now existing or hereafter made of all or any part of the Property, and all leases now or hereafter entered into will be in form and substance subject to the approval of Bank. All leases of the Property shall specifically provide that such leases are subordinate to this Instrument; that the tenant attorns to Bank, such attornment to be effective upon Bank's acquisition of title to the Property; that

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the tenant agrees to execute such further evidences of attornment as Bank may from time to time request; that the attornment of the tenant shall not be terminated by foreclosure; and that Bank may, at Bank's option, accept or reject such attornments. Borrower shall not, without Bank's written consent, execute, modify, surrender or terminate, either orally or in writing any lease now existing or hereafter made of all or any part of the Property providing for a term of three years or more, permit an assignment or sublease of such a lease without Bank's written consent, or request or consent to the subordination of any lease of all or any part of the Property to any lien subordinate to this Instrument. If Borrower becomes aware that any tenant proposes to do, or is doing, any act or thing which may give rise to any right of set-off against rent, Borrower shall (i) take such steps as shall be reasonably calculated to prevent the accrual of any right to a set-off against rent, (ii) notify Bank thereof and of the amount of said set-offs, and (iii) within ten days after such accrual, reimburse the tenant who shall have acquired such right to set-off or take such other steps as shall effectively discharge such set-offs and as shall assure that rents thereafter due shall continue to be payable without set-off or deduction.

Upon Bank's request, Borrower shall assign to Bank, by written instrument satisfactory to Bank, all leases now existing or hereafter made of all or any part of the Property and all security deposits made by tenants in connection with such leases of the Property. Upon assignment by Borrower to Bank of any leases of the Property, Bank shall have all of the rights and powers possessed by Borrower prior to such assignment and Bank shall have the right to modify, extend or terminate such existing leases and to execute new leases, in Bank's sole discretion.

17. REMEDIES CUMULATIVE. Each remedy provided in this Instrument is distinct and cumulative to all other rights or remedies under this Instrument or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

18. ACCELERATION IN CASE OF BORROWER'S INSOLVENCY. If Borrower shall voluntarily file a petition under the Federal Bankruptcy Act, as such Act may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Borrower shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Borrower, or if Borrower shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Borrower or Borrower's property, or if the Property shall become subject to the jurisdiction of a Federal bankruptcy court or similar state court, or if Borrower shall make an assignment for the benefit of

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Borrower's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Borrower's assets and such seizure is not discharged within ten days, the Bank may, at Bank's option, declare all of the sums secured by this Instrument to be immediately due and payable without prior notice to Borrower, and Bank may invoke any remedies permitted by paragraph 26 of this Instrument. Any attorney's fees and other expense incurred by Bank in connection with Borrower's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Borrower secured by this Instrument pursuant to paragraph 8 hereof.

19. TRANSFERS OF THE PROPERTY OR BENEFICIAL INTERESTS IN BORROWER; ASSUMPTION. On sale or transfer of (i) all or any part of the Property, or any interest therein, or (ii) beneficial interests in Borrower (if Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity), Bank may, at Bank's option, declare all of the sums secured by this Instrument to be immediately due and payable, and Bank may invoke any remedies permitted by paragraph 26 of this Instrument.

The Borrower and its successors and assigns covenant and agree that there shall be no sale or transfer of all, or any part thereof, of its interest (or the interest of its beneficiary or the sale, transfer or assignment of any interest of any partners or shareholders in such beneficiary) in the mortgaged premises or in the beneficial interest of Borrower or any interest of any partner or shareholders in such beneficiary without the prior written approval of the Bank. In the event the mortgaged premises, the beneficial interest of Borrower, or any part thereof are sold or transferred by the Borrower (or any part thereof are sold or transferred by the Borrower (or any interest therein or in the beneficial interest of Borrower by its beneficiary or any interest of any partners or shareholders in such beneficiary) without the prior written consent of the Bank, same shall conclusively be deemed to increase the risk of the Bank and the Bank may declare the entire unpaid principal of the Note secured by this Mortgage and all accrued interest thereon and prepayment penalty provided in the Note secured hereby immediately due and payable.

For the purposes of the preceding paragraph, the terms, "sell or transfer" shall include in addition to the common and ordinary meaning of those terms and without limiting their generality, any assignment, exchange, trade or other disposition of the undersigned's (or its beneficiary's) interest in all or any part of the premises or of the beneficial interest in the undersigned or of any interest of any partners or shareholders in such beneficiary.

The failure of the Bank to exercise any of its options in the event of a sale or transfer on any one occasion shall not be deemed a waiver of its right to exercise any of its options in the event of a subsequent sale or transfer of the mortgaged premises or any interest therein.

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20. NOTICE. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Instrument or in the Note shall be given by mailing such notice by certified mail addressed to Borrower at Borrower's address stated above or at such other address as Borrower may designate by notice to Bank as provided herein, and (b) any notice to Bank shall be given by certified mail, return receipt requested, to Bank's address stated herein or to such other address as Bank may designate by notice to Borrower as provided herein. Any notice provided for in this Instrument or in the Note shall be deemed to have been given to Borrower or Bank when given in the manner designated herein.

21. SUCCESSOR AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; AGENTS; CAPTIONS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Bank and Borrower, subject to the provisions of paragraph 19 hereof. All covenants and agreements of Borrower shall be joint and several. In exercising any rights hereunder or taking any actions provided for herein, Bank may act through its employees, agents or independent contractors as authorized by Bank. The captions and headings of the paragraphs of this Instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

22. UNIFORM MULTIFAMILY INSTRUMENT; GOVERNING LAW; SEVERABILITY. This form of multifamily instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property and related fixtures and personal property. This Instrument shall be governed by the law of the State of Illinois. In the event that any provision of this Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Instrument or the Note which can be given effect without the conflicting provisions, and to this end the provisions of this Instrument and the Note are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in this Instrument or in the Note, whether considered separately or together with other charges levied in connection with this Instrument and the Note, violates such law, and Borrower is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Bank in excess of the amounts payable to Bank pursuant to such charges as reduced shall be applied by Bank to reduce the principal of the indebtedness evidenced by the Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all indebtedness which is secured by this Instrument or evidenced by the Note and which constitutes interest, as well as all other charges levied in connection with such

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indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Note.

23. WAIVER OF MARSHALLING. Notwithstanding the existence of any other security interests in the Property held by Bank or by any other party, Bank shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. Bank shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Borrower, any party who consents to this Instrument and any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

24. ASSIGNMENT OF RENT; APPOINTMENT OF RECEIVER; BANK IN POSSESSION. As part of the consideration for the indebtedness evidenced by the Note, Borrower hereby absolutely and unconditionally assigns and transfers to Bank all the rents (if applicable) and revenues of the Property, including those now due, past due, or to become due by virtue of any lease or other agreement for occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Borrower hereby authorizes Bank or Bank's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Bank or Bank's agents; provided, however, that prior to written notice given by Bank to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Bank and Borrower, to apply the rents and revenues so collected to the sums secured by this Instrument in the order provided in paragraph 3 hereof with the balance, so long as no such breach has occurred, to the account of the Borrower, it being intended by Borrower and Bank that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon deliver of written notice by Bank to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument, and without the necessity of Bank entering upon and taking and maintaining full control for the Property in person, by agent or by a court-appointed receiver, Bank shall immediately be entitled to possession of all rents and revenues of the Property as specified in this paragraph 25 as the same become due and payable, including but not limited to rents then due and unpaid, and immediately upon delivery of such written notice of Borrower's breach by Bank to Borrower, each tenant of the Property shall make such rents payable to and pay such rents to Bank or Bank's agent on

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Bank's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Borrower.

Borrower hereby covenants that Borrower has not executed any prior assignment of said rents, that Borrower has not performed, and will not perform, any acts or has not executed, and will not execute, any instrument which would prevent Bank from exercising its rights under this paragraph 25, and that at the time of execution of this Instrument there has been no anticipation or prepayment of any of the rents of the Property for more than two months prior to the due date of such rents. Borrower covenants that Borrower will not hereafter collect or accept payment of any rents of the Property more than two months prior to the due dates of such rents. Borrower further covenants that Borrower will exercise and deliver to Bank such further assignments of rents and revenues of the Property as Bank may from time to time request.

Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Bank, by agent or by a court-appointed receiver, regardless of the adequacy of Bank's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Instrument. In the event Bank elects to seek the appointment of a receiver for the Property upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Borrower hereby expressly consents to the appointment of such receiver. Bank or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Bank to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Borrower as lessor or landlord of the Property and then to the sums secured by this Instrument. Bank or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Bank shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or

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left undone by Bank under this paragraph 25.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Bank for such purposes shall become indebtedness of Borrower to Bank secured by this Instrument pursuant to paragraph 8 hereof. Unless Bank and Borrower agree in writing to other terms of payment, such amounts shall be payable upon notice from Bank to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected by Borrower under applicable law.

Any entering upon and taking and maintaining of control of the Property by Bank or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Bank under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Instrument ceases to secure indebtedness held by Bank.

25. ACCELERATION; REMEDIES. Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, including, but not limited to, the covenants to pay when due any sums secured by this Instrument, Bank at Bank's option may declare all of the sums secured by this Instrument to be immediately due and payable without further demand and may foreclose this Instrument by judicial proceeding and may invoke any other remedies permitted by applicable law or provided herein. Bank shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorney's fees, costs of documentary evidence, abstracts and title reports.

26. RELEASE. Upon payment of all sums secured by this Instrument, Bank shall release this Instrument. Borrower shall pay costs of recording the release upon payoff of the loan.

27. WAIVER OF HOMESTEAD AND REDEMPTION. Borrower hereby waives all right of homestead exemption in the Property. If Borrower is a corporation, Borrower hereby waives all right of redemption on behalf of Borrower and on behalf of all other persons acquiring any interest or title in the Property subsequent to the date of this Instrument, except decree or judgment creditors of Borrower.

28. FUTURE ADVANCES. Upon request of Borrower, Bank, at Bank's option so long as this Instrument secures indebtedness held by Bank, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Instrument when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness

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secured by this Instrument, not including sums advanced in accordance herewith to protect the security of this Instrument, exceed the original amount of the Note: \$972,000.00.

29. The Borrower represents and agrees that the proceeds of the Note secured by this Mortgage will be used for the purpose specified in 815 ILCS 205/4 (a) and 815 ILCS 205/4 (1).

30. It is covenanted and agreed that the property mortgaged herein shall at no time be made subject to any Trust Deed, Mortgage or other lien subordinate to the lien of this Instrument. In the event that the property mortgage herein does become subject to any such Trust Deed, Mortgage or other lien subordinate to the lien of this Mortgage, Bank may, at Bank's option, declare all of the sums secured by this Instrument to be immediately due and payable, and Bank may invoke any remedies permitted by paragraph 26 of this Instrument.

31 Representations and Warranties. Borrower hereby represents and warrants that:

a. this Mortgage creates a first and prior lien on the Property;

b. the Property includes all property and rights which may be reasonably necessary or desirable to enable Borrower to use, enjoy and operate the Land and the Improvements for the present uses thereof;

c. The Property which Borrower owns which is personal property is free and clear of any security agreements, reservations of title or conditional sales contracts, and there is no presently effective financing statement affecting such personal property on file in any public office, and, with respect to any deposit accounts of Borrower in which Bank holds a security interest, there has been no notification of a security interest therein by any other secured party;

(d) Borrower is seised of the Land and Improvements in fee simple absolute and has good and marketable title to the Property, free and clear of all liens, charges, encumbrances, and security interests whatsoever, except encumbrances approved by Bank;

(e) Borrower has full power and authority to grant this Mortgage;

(f) Borrower will forever warrant and defend its title to the Property, and the validity, enforceability, and priority of the lien and security interest created hereby, against the claims of all persons;

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(g) The execution, delivery, and performance of the Loan Documents and the borrowing evidenced by the Note (i) are within the corporate or partnership power of Borrower; (ii) have been authorized by all requisite corporate or partnership action; (iii) have received all necessary approvals and consents, corporate, partnership, governmental, or otherwise; (iv) will not violate, conflict with, result in a breach of, or constitute (with notice or lapse of time, or both) a default under any provision of law, any order or judgment of any court or governmental authority, the articles of incorporation, bylaws, partnership or trust agreement, or other governing instrument of Borrower, or any indenture, agreement, or other instrument to which Borrower is a party or by which it or any of its property is or may be bound or affected; (v) will not result in the creation or imposition of any lien, charge, or encumbrance whatsoever upon any of its properties or assets, except the lien and security interest created hereby; and (vi) will not require any authorization or license from, or any filing with, any governmental or other body (except for (i) the recordation of this Mortgage in appropriate land records in the state in which the property is located, (ii) Uniform Commercial Code filings relating to the security interest created hereby, and (iii) any state specific filings, forms or declarations required in connection with the transactions contemplated hereby.

(h) There is no action, suit, or proceeding, judicial, administrative, or otherwise (including any condemnation or similar proceeding), pending or, to the best knowledge of Borrower, threatened or contemplated against, or affecting, Borrower or the Property;

(i) The Property and Improvements are not located in an area identified by the Secretary of Housing and Urban Development, or any successor thereof, as an area having special flood, mudslide, and/or flood-related erosion hazards pursuant to the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as amended, or any successor law, or, if any portion of the Improvements is located within any such area, Borrower has obtained and will maintain the insurance prescribed in the Loan Agreement.

(j) Borrower has all necessary certificates, permits, licenses, and other approvals, governmental and otherwise (including all zoning, building code, land use, environmental and similar approvals), necessary for the operation of the Property and the conduct of its business thereat, all of which are in full force and effect as of the date hereof and all operations conducted thereon are in substantial compliance with such approvals;

(k) The Property, and the present and contemplated use and occupancy thereof, are in full compliance with all applicable zoning ordinances, building codes, land use, and other similar laws;

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(l) The Property is served by all utilities required for the contemplated use thereof;

(m) All public roads and streets necessary to serve the Premises and Improvements for the contemplated use thereof have been completed, are serviceable in all weather, and, where required by the appropriate governmental entities, have been dedicated to and formally accepted by such governmental entities;

(n) The Property is in good repair and is free and clear from damage caused by fire or other casualty;

(o) All costs and expenses of any and all labor, materials, supplies, and equipment used in the construction of the Improvements have been paid in full;

(p) Borrower has paid in full for, and is the owner of, all furnishings, fixtures, and equipment (other than lessees' property) used in connection with the operation of Premises, free and clear of any and all security interests, liens, or encumbrances, except the encumbrances approved by Bank and the lien and security interest created hereby;

(q) There is no proceeding pending or threatened for the total or partial condemnation of the Property;

(r) The Property is not under substantial construction or rehabilitation;

(s) All taxes and governmental assessments, insurance premiums, water, sewer and municipal charges, and ground rents, if any, that are due and owing as of the date hereof have been paid;

(t) Borrower is the sole owner and holder of the Lessor's interest under all of the Leases related to the Property. There are no assignments of the lessor's interest in any of the Leases or any portion of the Rents due and payable or to become due and payable thereunder which remain in effect on the date hereof other than under this Mortgage and the other Loan Documents;

32. Performance of Secured Obligations. Borrower shall promptly pay and perform each obligation under the terms of the Loan Agreement in accordance with its terms.

33. Taxes and Assessments. Borrower shall pay prior to delinquency all taxes, levies, charges and assessments (individually and collectively, an "Imposition"), imposed by any public or quasi-public authority or utility company which are (or if not paid, may become) a lien on all or part of the Property or any interest in it, or which may cause any decrease in the value of the Property or any part of it. If any such Imposition becomes

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delinquent, Bank may require Borrower to present evidence that they have been paid in full, on ten (10) days' written notice by Bank to Borrower. Notwithstanding the foregoing provisions of this Paragraph 34, Borrower may, at its expense, contest the validity or application of any Imposition by appropriate legal proceedings promptly initiated and conducted in good faith and with due diligence, provided that (i) Bank is reasonably satisfied that neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, or lost as a result of such contest, and (ii) Borrower shall have posted a bond or furnished such other security as may be reasonably required from time to time by Bank.

## 34. Maintenance and Preservation of Property

a. Borrower shall insure the Property as required by the Loan Agreement and keep the Property in good condition and repair.

b. Borrower shall not remove or demolish the Improvements, or any part thereof, or alter or add to the Improvements, or initiate or allow any change in any zoning or other land use classification which affects the Property or any part of it, except as permitted by the Loan Agreement.

c. If all or part of the Property becomes damaged or destroyed, Borrower shall promptly and completely repair and/or restore the Property in a good and workmanlike manner in accordance with sound building practices, regardless of whether or not Bank agrees to disburse insurance proceeds or other sums to pay costs of the work of repair.

d. Borrower shall not commit or allow any waste of the Property.

e. Borrower shall perform all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value and utility.

## 35. Releases, Extensions, Modifications and Additional Security.

(a) From time to time, Bank may perform any of the following acts without incurring any liability or giving notice to any person:

(i) release any person liable for payment of any Secured Obligation under the terms of the Loan Documents;

(ii) extend the time for payment, or otherwise alter the terms of payment, of any Secured Obligation;

(iii) accept additional real or personal

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property of any kind as security for any Secured Obligation, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security;

(iv) alter, substitute or release any property securing the obligations under the terms of the Loan Documents;

(v) consent to the making of any plat or map of the Property or any part of it;

(vi) join in granting any easement or creating any restriction affecting the Property; or

(vii) join in any subordination or other agreement affecting this Mortgage or the lien of it.

36. Defense and Notice of Claims and Actions. At Borrower's sole expense, Borrower shall protect, preserve and defend the Property and title to and right of possession of the Property, and the security of this Mortgage and the rights and powers of Bank created under it, against all adverse claims. Borrower shall give Bank prompt notice in writing if any claim is asserted which does or could affect any of these matters, or if any action or proceeding is commenced which alleges or relates to any such claim.

37. Subrogation. Bank shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by Bank in accordance with this Mortgage or with the proceeds of any loan secured by this Mortgage.

38. Site Visits, Observation and Testing. Bank and its agents and representatives shall have the right to enter and visit the Property upon reasonable verbal notice at any reasonable time for the purposes of observing it, performing appraisals, taking and removing soil or groundwater samples, and conducting tests on any part of it, as provided in the Loan Agreement.

39. Events of Default. Upon the occurrence of any one or more of the following events, Bank may, by written notice delivered to Borrower, declare Borrower to be in default, and thereupon the same shall constitute an "Event of Default" under this Mortgage:

a. An Event of Default is declared under the Loan Agreement or any other Loan Document; or

b. Borrower fails to perform any obligation to pay money which arises under this Mortgage and does not cure that failure within fifteen (15) days after the date due; or

c. Borrower sells, conveys, mortgages, encumbers, pledges or otherwise transfers the Property or any part thereof or

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interest therein (including ownership interests in the Borrower), or permits the Property or any part thereof or interest therein (including ownership interests in the Borrower) to be sold, conveyed, mortgaged, encumbered, pledged or otherwise transferred in violation of Section 6.1 hereof; or

d. Any representation or warranty made or given by Borrower in this Mortgage proves to be false or misleading in any material respect; or

e. Borrower fails to perform any obligation arising under this Mortgage other than as provided in clauses (b) through (d) of this Section 7.1, and does not cure that failure within thirty (30) days ("Initial Cure Period") after written notice from Bank; or ninety (90) days after that written notice so long as Borrower begins within the Initial Cure Period and diligently continues to cure the failure, and Bank, exercising reasonable judgment, determines that the cure cannot reasonably be completed at or before expiration of the Initial Cure Period.

40. Remedies. At any time after an Event of Default, Bank shall be entitled to invoke any and all of the rights and remedies described below. All of such rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies.

a. Acceleration. Bank may declare any or all of the obligations under the terms of the Loan Documents to be due and payable immediately.

b. Receiver. Bank shall, as a matter of right, without notice and without giving bond to Borrower or anyone claiming by, under or through Borrower, and without regard for the solvency or insolvency of Borrower or the then value of the Property, to the extent permitted by applicable law, be entitled to have a receiver appointed for all or any part of the Property and the Rents, and the proceeds, issues and profits thereof, with the rights and powers referenced below and such other rights and powers as the court making such appointment shall confer, and Borrower hereby consents to the appointment of such receiver and shall not oppose any such appointment. Such receiver shall have all powers and duties prescribed by Section 15-1704 of the Act (as defined in subsection (g) below), all other powers which are necessary or usual in such cases for the protection, possession, control, management and operation of the Property, and such rights and powers as Bank would have, upon entering and taking possession of the Property under subsection (c) below. In addition to any provision of this Mortgage authorizing the Bank to take or be placed in possession of the mortgaged real estate, or for the appointment of a receiver, Bank shall have the right, in accordance with Section 15-1701 and 15-1702 of the Act, to be placed in possession of the mortgaged real estate or at its request to have

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a receiver appointed, and such receiver, or Bank, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities, and duties as provided for in Sections 15-1701 and 15-1703 of the Act.

c. Entry. Bank, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Bank may in its sole discretion consider necessary and appropriate to protect the security of this Mortgage. Such other things may include: taking and possessing all of Borrower's or the then owner's books and records; entering into, enforcing, modifying, or canceling leases on such terms and conditions as Bank may consider proper; obtaining and evicting tenants; fixing or modifying rents; collecting and receiving any payment of money owing to Borrower; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Bank so requests, Borrower shall assemble all of the Property that has been removed from the Land and make all of it available to Bank at the site of the Land.

d. Cure; Protection of Security. Bank may cure any breach or default of Borrower, and if it chooses to do so in connection with any such cure, Bank may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Mortgage. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Bank under, this Mortgage; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Bank's sole judgment is or may be senior in priority to this Mortgage, such judgment of Bank to be conclusive as among the parties to this Mortgage; obtaining insurance and/or paying any premiums or charges for insurance required to be carried under the Loan Agreement; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Bank. Bank may take any of the actions permitted under this Section 7.2 either with or without giving notice to any person.

e. Uniform Commercial Code Remedies. Bank may exercise any or all of the remedies granted to a secured party under the Illinois Uniform Commercial Code.

f. Foreclosure; Lawsuits. Bank shall have the right, in one or several concurrent or consecutive proceedings, to foreclose the lien hereof upon the Property or any part thereof, for the Secured Obligations, or any part thereof, by any proceedings appropriate under applicable law. Bank or its nominee may bid and become the purchaser of all or any part of the Property at any foreclosure or other sale hereunder, and the amount of

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Bank's successful bid shall be credited on the Secured Obligations. Without limiting the foregoing, Bank may proceed by a suit or suits in law or equity, whether for specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure under the judgment or decree of any court of competent jurisdiction.

g. Other Remedies. Bank may exercise all rights and remedies contained in any other instrument, document, agreement or other writing heretofore, concurrently or in the future executed by Borrower or any other person or entity in favor of Bank in connection with the Secured Obligations or any part thereof, without prejudice to the right of Bank thereafter to enforce any appropriate remedy against Borrower. Bank shall have the right to pursue all remedies afforded to a mortgagee under the Illinois Mortgage Foreclosure Law (the "Act") and other applicable law, and shall have the benefit of all of the provisions of the Act and such applicable law, including all amendments thereto which may become effective from time to time after the date hereof. In the event any provision of the Act which is specifically referred to herein may be repealed, Bank shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference.

h. Sale of Personal Property. Bank shall have the discretionary right to cause some or all of the Property, which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

(i) For purposes of this power of sale, Bank may elect to treat as personal property any Property which is intangible or which can be severed from the Land or Improvements without causing structural damage. If it chooses to do so, Bank may dispose of any personal property, in any manner permitted by Article 9 of the Illinois Uniform Commercial Code, including any public or private sale, or in any manner permitted by any other applicable law.

(ii) In connection with any sale or other disposition of such Property, Borrower agrees that the following procedures constitute a commercially reasonable sale: Bank shall mail written notice of the sale to Borrower not later than forty-five (45) days prior to such sale. Once per week during the four weeks immediately preceding such sale, Bank will publish notice of the sale in a local daily newspaper of general circulation. Upon receipt of any written request, Bank will make the Property available to any bona fide prospective purchaser for inspection during reasonable business hours. Notwithstanding, Bank shall be under no obligation to consummate a sale if, in its judgment, none of the offers received by it equals the fair value of the

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Property offered for sale. The foregoing procedures do not constitute the only procedures that may be commercially reasonable.

i. Single or Multiple Foreclosure Sales

If the Property consists of more than one lot, parcel or item of property, Bank may:

(1) designate the order in which the lots, parcels and/or items shall be sold or disposed of or offered for sale or disposition; and

(2) elect to dispose of the lots, parcels and/or items through a single consolidated sale or disposition to be held or made under or in connection with judicial proceedings, or by virtue of a judgment and decree of foreclosure and sale; or through two or more such sales or dispositions; or in any other manner Bank may deem to be in its best interests (any such sale or disposition, a "Foreclosure Sale," any two or more, "Foreclosure Sales").

If it chooses to have more than one Foreclosure Sale, Bank at its option may cause the Foreclosure Sales to be held simultaneously or successively, on the same day, or on such different days and at such different times and in such order as it may deem to be in its best interests. No Foreclosure Sale shall terminate or affect the liens of this Mortgage on any part of the Property which has not been sold until all of the Secured Obligations have been paid in full.

j. Protective Advances. All advances, disbursements and expenditures made or incurred by Bank before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage, the other Loan Documents or by the Act (collectively "Protective Advances"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

(a) all advances by Bank in accordance with the terms of the Mortgage to: (i) preserve, maintain, repair, restore or rebuild the improvements upon the mortgaged real estate, (ii) preserve the lien of the Mortgage or the priority thereof; or (iii) enforce the Mortgage, as referred to in Subsection (b))(5) of Section 15-1302 of the Act;

(b) payments by Bank of: (i) principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance; (ii) real estate taxes and assessments, general and special and all other taxes and

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assessments of any kind or nature whatsoever which are assessed or imposed upon the mortgaged real estate or any part thereof; (iii) other obligations authorized by this Mortgage or other Loan Documents; (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 15-1505 of the Act;

(c) advances by Bank in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(d) attorneys' fees and other costs incurred: (i) in connection with the foreclosure of the Mortgage as referred to in Section 1504(d)(2) and 15-1510 of the Act; (ii) in connection with any action, suit or proceeding brought by or against the Bank for the enforcement of the Mortgage or arising from the interest of the Bank hereunder; or (iii) in preparation for or in connection with the commencement, prosecution or defense of any other action related to the Mortgage or the mortgaged real estate;

(e) Bank's fees and costs, including attorneys' fees arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection of Section 15-1508(b)(1) of the Act;

(f) expenses deductible from proceeds of sale as referred to in Sections 15-1512(a) and (b) of the Act;

(g) expenses incurred and expenditures made by Bank for any one or more of the following: [(i) if the mortgaged real estate or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof;] [(ii) if Borrower's interest in the mortgaged real estate is a leasehold estate under a lease or sublease, rentals or the other payments required to be made by the lessee under the terms of the lease or sublease;] (iii) premiums for casualty and liability insurance paid by Bank whether or not Bank or a receiver is in possession, is reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintain existing insurance in effect at the time any receiver or mortgagee takes possession of the mortgaged real estate imposed by of Section 15-1704(c)(1) of the Act; (iv) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (v) payments deemed by Bank to be required for the benefit of the mortgaged real estate or required to be made by the owner of the mortgaged real estate under any grant or declaration of easements, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the mortgaged real estate; (vi) shared or common expense assessments payable to any association or corporation in which the owner of the mortgaged real

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estate is a member in any way affecting the mortgaged real estate; [(vii) if the loan secured hereby is a construction loan, costs incurred by Bank for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment, loan agreement or other agreement;] (viii) payments required to be paid by Borrower or Bank pursuant to any lease or other agreement for occupancy of the mortgaged real estate and (ix) if the Mortgage is insured, payments of FHA or private mortgage insurance required to keep such insurance in force.

All Protective Advances shall be so much additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the Default Rate under the terms of the Note.

This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Subsection (b) (5) of Section 15-1302 of the Act.

All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in:

(a) any determination of the amount of indebtedness secured by this Mortgage at any time;

(b) the indebtedness found due and owing to the Bank in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(c) determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Act;

(d) application of income in the hands of any receiver or Bank in possession; and

(e) computation of any deficiency judgment pursuant to Section 15-1508(b) (2), 15-1508(e) and 15-1511 of the Act.

41. Additional Provisions. The Loan Documents fully state all of the terms and conditions of the parties' agreement regarding the matters mentioned in or incidental to this Mortgage. The Loan Documents also grant further rights to Bank and contain further agreements and affirmative and negative covenants by Borrower which apply to this Mortgage and to the Property.

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42. No Waiver or Cure. Each waiver by Bank must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Bank to take action on account of any default of Borrower. Consent by Bank to any act or omission by Borrower shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Bank's consent to be obtained in any future or other instance.

43. Powers of Bank. Bank may take any of the actions permitted under the terms of the Loan documents regardless of the adequacy of the security for the obligations secured by the Loan Documents, or whether any or all of the obligations secured by the Loan Documents have been declared to be immediately due and payable, or whether notice of default and election to sell has been given under this Mortgage. If Bank performs any act which it is empowered or authorized to perform under this Mortgage, including any act permitted by the terms of the Loan Documents, any such act alone shall not release or change the personal liability of any person for the payment and performance of the obligations secured by the Loan Documents then outstanding, or the lien of this Mortgage on all or the remainder of the Property for full payment and performance of all outstanding obligations secured by the Loan Documents. The liability of the original Borrower shall not be released or changed if Bank grants any successor in interest to Borrower any extension of time for payment, or modification of the terms of payment, of any obligation secured by the Loan Documents. Bank shall not be required to comply with any demand by the original Borrower that Bank refuse to grant such an extension or modification to, or commence proceedings against, any such successor in interest.

44. Merger. No merger shall occur as a result of Bank's acquiring any other estate in or any other lien on the Property unless Bank consents to a merger in writing.

45. Joint and Several Liability. If Borrower consists of more than one person, each shall be jointly and severally liable for the faithful performance of all of Borrower's obligations under this Mortgage.

46. Applicable Law. This Mortgage shall be governed by and construed in accordance with Illinois law without giving effect to the conflict of law principles of said state.

47. Successors in Interest. The terms, covenants and conditions of this Mortgage shall be binding upon and inure to the benefit of the heirs, successors and permitted assigns of the parties. However, this Section 8.7 does not waive the provisions of Section 6.1. Bank shall have the right in its sole discretion at any time during the term of this Mortgage to sell, assign, syndicate or otherwise transfer or dispose of all or any portion of its interest in this Mortgage, the Note and the Secured Obligations, and the

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other Loan Documents, all without notice to or the consent of Borrower, and after any such transfer Bank shall have no further obligations under the Loan Documents.

48. In-House Counsel Fees. Whenever Borrower is obligated to pay or reimburse Bank for any attorneys' fees; those fees shall include the allocated costs for services of in-house counsel.

49. Severability. If any provision of this Mortgage should be held unenforceable or void, that provision shall be deemed severable from the remaining provisions and in no way affect the validity of this Mortgage except that if such provision relates to the payment of any monetary sum, then Bank may, at its option, declare all Secured Obligations immediately due and payable.

50. Borrower shall deposit (with Depository) \$1,000.00 per month into a money market account held by the Bank which shall be pledged to the bank in the event the Borrower defaults. The Borrower shall perfect the security interest in the account. Borrower shall make the monthly deposit for the five year loan term on the first day of each month commencing October 1, 1996. If the five year renewal option is exercised, Borrower will no longer be required to contribute additional deposits to the account. If the renewal option is exercised, the balance shall remain in the account until loan maturity. In the event of default, the Bank shall have the right to apply the Balance to the indebtedness due. The Borrower shall take all action necessary, to create, perfect and maintain the perfected security interest in the account. Any accrued interest earned on the pledge account shall remain in the account subject to security interest of the bank. Any waiver by Bank of a requirement that Borrower pay such Funds may be revoked by Bank, in Bank's sole discretion, at any time upon notice in writing to Borrower. Bank may require Borrower to pay to Bank, in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Borrower or the Property which Bank shall reasonably deem necessary to protect Bank's interest (herein "Other Impositions"). Unless otherwise provided by applicable law, Bank may require Funds for Other Impositions to be paid by Borrower in a lump sum or in periodic installments, at Bank's option.

Borrower shall deposit the principal and interest in the Reserve Account on a monthly basis. Bank shall automatically deduct the principal and interest payments on a monthly basis.

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IN WITNESS WHEREOF, Borrower has executed this Instrument or has caused the same to be executed by its representatives thereunto duly authorized.

MORTGAGE PROPERTY ADDRESS: 1620 W. Chase Avenue, Chicago, Illinois

{BORROWERS' SIGNATURES}

Travelers and Immigrants Aid/Chicago Connections

By: Patricia L. Cosentino  
Patricia L. Cosentino

Title: Vice President of Finance and Administration

Address: 208 S. LaSalle Street  
Suite 1818  
Chicago, Illinois 60697

### CORPORATE ACKNOWLEDGMENT

STATE OF Illinois )  
COUNTY OF Cook )

SS:

I, the undersigned, a Notary Public, in and for said County in the State aforesaid DO HEREBY CERTIFY, that Patricia L. Cosentino, personally known to me to be the Vice-President of Finance and Administration, personally known to me to be same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice-President, she signed and delivered the said instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 27th day of August, 1996.

IMPRESS  
SEAL  
HERE



[Signature]  
Notary Public

Commission expires: \_\_\_\_\_ 19 \_\_\_\_\_

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