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PREPARED BY AND RETURN TO:
ROYAL AMERICAN BANK
ATTN: SANDY BELVEDERE
1604 COLONIAL PARKWAY
INVERNESS IL 60067

DEPT-01 RECORDING \$57.00
7:0012 TRAN 3262 12/04/96 11:28:00
4406 DT *-96-917515
COOK COUNTY RECORDER

MODIFICATION TO COMMERCIAL MORTGAGE AND ASSIGNMENT of RENTS

THIS MODIFICATION to MORTGAGE ("Mortgage") made on September 27, 1996, by and between LASALLE NATIONAL BANK N.A., as Trustee u/t dated August 15, 1967 and known as Trust No. 11-36857-00, whose address is 135 South LaSalle Street, Chicago, ("Grantor" or "Borrower"), and ROYAL AMERICAN BANK, 1604 Colonial Parkway, Inverness, Illinois 60067 ("Lender")

WHEREAS, on September 27, 1995, Borrower executed and delivered to Lender a Promissory Note in the amount of One Million Three Hundred Thousand and no/100 Dollars (\$1,300,000.00) (the "Note"). The total principal (exclusive of any other amounts, including interest, which may be due to Lender) unpaid on said Note as of the date hereof is One Million Three Hundred Thousand and no/100 Dollars (\$1,300,000.00); and

WHEREAS, to secure payment of the Note, Borrower executed and delivered to Lender, among others, the following

LEGAL DESCRIPTION OF 170 GAYLORD, ELK GROVE VILLAGE, ILLINOIS ATTACHED HERETO AS EXHIBIT "A".

P.I.N. 08-21-202-031-0000

THIS INSTRUMENT PREPARED BY:

MAIL TO:
MANETTI & GRIFFITH, LTD.
2311 West 22nd Street
Suite 217
Oak Brook, Illinois 60521

BOX 333-CTT

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a Commercial Mortgage ("Mortgage"), dated September 27, 1995, securing obligations of Borrower to Lender with a Junior Mortgage interest in the property legally described on Exhibit "A" attached hereto (the "Mortgaged Property"), which document was recorded October 2, 1995, as Document No. 9566790 in the office of the Recorder of Deeds of Cook County, Illinois; and an Assignment of Rents (the "Assignment of Rents"), dated September 27, 1995, assigning to Lender the rents and other interests related to the Mortgaged Property as security for payment of obligations of Borrower to Lender, which document was recorded October 2, 1995, as Document No. 9566791 in the office of the Recorder of Deeds in Cook County, Illinois; and

WHEREAS, Borrower has requested an extension from September 30, 1996 to March 30, 1997 for the partial paydown of the Note in the amount of Two Hundred Sixty Thousand Dollars (\$260,000.00), to enable Borrower to pay in full the first mortgage on the property, Exhibit "A", commonly known as 170 Gaylord, Elk Grove Village, Cook County, Illinois, in favor of American National Bank ("ANB"); and

WHEREAS, Borrower has or will pay in full all amounts due ANB secured by the first mortgage on 170 Gaylord, Elk Grove Village, Cook County, Illinois (Exhibit A), in favor of American National Bank ("ANB"); and

WHEREAS, Borrower is in compliance with all of the terms and provisions of the Note and Mortgages; and

WHEREAS, Lender is willing to extend the term for partial paydown of the Note and related obligations upon certain terms and conditions contained herein.

NOW, THEREFORE, in consideration of the above recitals and of any loan, advance, extension of credit and/or other financial accommodations at any time made by Lender to or for the benefit of any party hereto or their affiliates or guarantors, and for other consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

A. The recitals set forth above are incorporated herein by this reference as if set forth herein at length.

B. Borrower has executed and delivered to Lender contemporaneously herewith a Revised Commercial Promissory Note (the "Revised Note").

C. Borrowers agree to and hereby restate and reaffirm their respective Obligations as defined and modified herein, and hereby represent and warrant to Lender that as of the date hereof: (i) there is no default existing nor have Borrower or Guarantors failed to perform any covenant, term or provision on their respective parts to be performed pursuant to any Loan Document; and

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(ii) all representations and warranties contained in the loan documents previously executed by the Borrowers and executed contemporaneously herewith are true and correct in all respects.

D. The Commercial Mortgage and Assignment of Rents are hereby modified such that they shall secure the Obligations of Borrower as modified herein, including without limitation the Revised Note. The Mortgage is modified such that the Revised Note shall additionally be an Obligation to Lender pursuant to this Mortgage. All references to the Note in any of the Obligations shall mean the Revised Note. This Modification in no way diminishes the existing and prior mortgage or Assignment of Rents. This Mortgage, as hereinafter appears, is a modification to the existing mortgage identified above which is not released.

(1) GRANT. For good and valuable consideration, Grantor hereby mortgages and warrants to Lender, the real property described in Schedule A which is attached to this Mortgage and incorporated herein together with all future and present improvements and fixtures; privileges, hereditaments, and appurtenances; leases, licenses and other agreements; rents, issues and profits; water, well, ditch, reservoir and mineral rights and stocks, and standing timber and crops pertaining to the real property (cumulatively "Property").

(2) OBLIGATIONS. This Mortgage shall secure the payment and performance of all of Grantor's present and future, indebtedness, liabilities, obligations and covenants identified below (cumulatively "Obligations") to Lender pursuant to this Mortgage, the following promissory note and other agreements:

a) Revised Commercial Promissory Note, of even date, in the principal amount of ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000.00) to be paid as follows: i) Interest only until September 30, 1996, paid in monthly installments beginning on the 1st day of October, 1995, and monthly installments continuing to fall due on the first day of each successive month thereafter, with the payment of interest due but unpaid on October 1, 1996; ii) Interest only on the principal amount of Two Hundred Sixty Thousand Dollars (\$260,000.00) until March 30, 1997, paid in monthly installments beginning on the 1st day of November, 1996, and monthly installments continuing to fall due on the first day of each successive month thereafter, with the final payment of interest due but unpaid on or before March 30, 1997; iii) Principal installment payment of Two Hundred Sixty Thousand Dollars (\$260,000.00) on or before March 30, 1997; and, iv) Payment of the remaining principal of ONE MILLION FORTY THOUSAND DOLLARS (\$1,040,000.00) in monthly installments of principal plus interest in the amount of NINE THOUSAND TWENTY FIVE and 43/100THS DOLLARS (\$9,025.43), the first installment due on the 1st day of November, 1996, and monthly installments continuing on the same day of each successive month thereafter through September 1, 2001, with a final

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installment (balloon payment) of all amounts due hereunder on October 1, 2001 ("Note").

b) Assignment of Rents dated September 27, 1995 for the Property.

c) Assignment of Rents dated September 27, 1995 for the other property commonly known as 170 Gaylord Street, Elk Grove Village, Illinois 60007;

d) all other present or future obligations of Grantor to Lender (whether incurred for the same or different purposes than the foregoing);

e) all other present or future obligations of any guarantor of Grantor's payment and performance of obligations under the Note;

f) all renewals, extensions, amendments, modifications, replacements or substitutions to any of the foregoing.

(3) PURPOSE. This Mortgage and the Obligations described herein are executed and incurred for commercial purposes.

(4) FUTURE ADVANCES. This Mortgage secures the repayment of all advances that Lender may extend to Borrower or Grantor under the promissory notes and other agreements evidencing the obligations described in paragraph 2. The Mortgage secures not only existing indebtedness, but also secures future advances, with interest thereon, whether such advances are obligatory or to be made at the option of Lender to the same extent as if such future advances were made on the date of the execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The total amount of indebtedness secured by this Mortgage under the promissory notes and agreements described above may increase or decrease from time to time, but the total of all such indebtedness so secured shall not exceed \$5,000,000.00.

(5) EXPENSES. To the extent permitted by law, this Mortgage secures the repayment of all amounts expended by Lender to perform Grantor's covenants under this Mortgage or to maintain, preserve, or dispose of the Property, including but not limited to, amounts expended for the payment of taxes, special assessments, or insurance on the Property, plus interest thereon.

(6) REPRESENTATIONS, WARRANTIES AND COVENANTS. Grantor represents, warrants and covenants to Lender that:

(a) Grantor shall maintain the Property free of all liens, security interests, encumbrances and claims except for this

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Mortgage and those described in Schedule B which is attached to this Mortgage and incorporated herein by reference.

(b) Neither Grantor nor, to the best of Grantor's knowledge, any other party has used, generated, released, discharged, stored, or disposed of any "Hazardous Materials" as defined herein, in connection with the Property or transported any Hazardous Materials to or from the Property. Grantor shall not commit or permit such actions to be taken in the future. The term "Hazardous Materials" shall mean any substance, material, or waste which is or becomes regulated by any governmental authority including, but not limited to, (i) petroleum; (ii) friable or nonfriable asbestos; (iii) polychlorinated biphenyls; (iv) those substances, materials or wastes designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act or listed pursuant to Section 307 of the Clean Water Act or any amendments or replacements to these statutes; (v) those substances, materials or wastes defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act or any amendments or replacements to that statute; and (vi) those substances, materials or wastes defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, or any amendments or replacements to that statute or any other similar statute, rule, regulation or ordinance now or hereafter in effect;

(c) Grantor has the right and is duly authorized to execute and perform its obligations under this Mortgage and these actions do not and shall not conflict with the provisions of any statute, regulation, ordinance, rule of law, contract or other agreement which may be binding on Grantor at any time;

(d) No action or proceeding is or shall be pending or threatened which might materially affect the Property;

(e) Grantor has not violated and shall not violate any statute, regulation, ordinance, rule of law, contract or other agreement which might materially affect the Property (including, but not limited to, those governing Hazardous Materials) or Lender's rights or interest in the Property pursuant to this Mortgage.

(7) TRANSFERS OF THE PROPERTY OR BENEFICIAL INTEREST IN GRANTOR. On sale or transfer to any person without the prior written approval of Lender of all or any part of the real property described in Schedule A, or any interest therein, or of all or any beneficial interest to or in Grantor, Lender may, at Lender's option declare the sums secured by this Mortgage to be immediately due and payable, and Lender may invoke any remedies permitted by the Note or obligations or other agreement executed in connection with the Note to secure its payment or by this Mortgage, unless otherwise prohibited by federal law.

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(8) INQUIRIES AND NOTIFICATION TO THIRD PARTIES. Grantor hereby authorizes Lender to contact any third party and make any inquiry pertaining to Grantor's financial condition or the Property. In addition, Lender is authorized to provide oral or written notice of its interest in the Property to any third party.

(9) INTERFERENCE WITH LEASES AND OTHER AGREEMENTS. Grantor shall not take or fail to take any action which may cause or permit the termination or the withholding of any payment in connection with any lease or other agreement ("Lease") pertaining to the Property. In addition, Grantor, without Lender's prior written consent, shall not: (a) collect any monies payable under any Lease more than one month in advance; (b) modify any Lease; (c) assign or allow a lien, security interest or other encumbrance to be placed upon Grantor's rights, title or interest in and to any Lease or the amounts payable thereunder, except in favor of Lender; or (d) terminate or cancel any Lease except for the nonpayment of any sum or other material breach by the other party thereto. If Grantor receives at any time any written communication asserting a default by Grantor under a Lease or purporting to terminate or cancel any Lease, Grantor shall promptly forward a copy of such communication (and any subsequent communications relating thereto) to Lender.

(10) COLLECTION OF INDEBTEDNESS FROM THIRD PARTY. Lender shall be entitled to notify or require Grantor to notify any third party (including, but not limited to, lessees, licensees, governmental authorities and insurance companies) to pay Lender any indebtedness or obligation owing to Grantor with respect to the Property (cumulatively, "Indebtedness") whether or not a default exists under this Mortgage. Grantor shall diligently collect the Indebtedness owing to Grantor from these third parties until the giving of such notification. In the event that Grantor possesses or receives possession of any instrument or other remittances with respect to the Indebtedness following the giving of such notification or if the instruments or other remittances constitute the prepayment of any Indebtedness or the payment of any insurance or condemnation proceeds, Grantor shall hold such instruments and other remittances in trust for Lender apart from its other property, endorse the instruments and other remittances to Lender, and immediately provide Lender with possession of the instruments and other remittances. Lender shall be entitled, but not required to collect (by legal proceedings or otherwise), extend the time for payment, compromise, exchange or release any obligor or collateral upon, or otherwise settle any of the Indebtedness whether or not an event of default exists under this Agreement. Lender shall not be liable to Grantor for any action, error, mistake, omission or delay pertaining to the actions described, in this paragraph or any damages resulting therefrom.

(11) MORTGAGEE IN POSSESSION. It is understood and agreed that neither the exercise by Lender of any of its rights or remedies under this Mortgage shall be deemed to make Lender a

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"mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the mortgaged Property or the use, occupancy, enjoyment or operation of all or any portion thereof, unless and until Lender, in person or by agent assumes actual possession thereof. Grantor acknowledges and agrees that Lender's exercise of any of its rights pursuant to an Assignment of Rents of the Property shall not be an assumption of actual possession of the Property. The appointment of a receiver for the mortgage Property by any court at the request of Lender or by agreement with Grantor, or the entering into possession of the mortgaged Property or any part thereof by such receiver, shall not be deemed to make Lender a mortgagee-in-possession or otherwise responsible or liable in any manner with respect to the mortgaged Property.

(12) USE AND MAINTENANCE OF PROPERTY. Grantor shall take all actions and make any repairs needed to maintain the Property in good condition. Grantor shall not commit or permit any wastes to be committed with respect to the Property. Grantor shall use the Property solely in compliance with applicable law and insurance policies. Grantor shall not make any alterations, additions or improvements to the Property without Lender's prior written consent. Without limiting the foregoing, all alterations, additions and improvements made to the Property shall be subject to the interest belonging to Lender, shall not be removed without Lender's prior written consent, and shall be made at Grantor's sole expense.

(13) LOSS OR DAMAGE. If the Property or any improvement on the Property shall be, lost, stolen, destroyed or damaged in whole or in part by fire or other casualty of any kind or nature, ordinary or extraordinary, foreseen or unforeseen (cumulatively "Loss" or "Damage"), Grantor shall give Lender immediate notice thereof, and Grantor, at its sole cost and expense, shall promptly repair, alter, restore, replace, and rebuild the same, in the same condition as existed immediately prior to such Loss; and Lender shall in no event be called upon to repair, alter, replace, restore, or rebuild such property, or any portion thereof, nor to pay any of the costs or expenses which arise as a result of the Loss. Grantor shall bear the entire risk of any Loss or Damage to the Property or any portion thereof from any source whatsoever.

If Grantor shall fail or neglect to restore, repair, replace, and rebuild with reasonable diligence the Property, or portion thereof, so damaged or destroyed, or having so commenced such restoration, repair, replacement, and rebuilding shall fail to complete the same with reasonable diligence in accordance with the terms of this Mortgage, or if prior to the completion of any such restoration, repair, replacement, and rebuilding by Grantor, this Mortgage shall terminate for any reason, Lender may complete the same at Grantor's expense, and Lender's expense in so doing shall be due and payable by Grantor to Lender immediately with interest thereon at the rate per annum equal to twelve percent (12%) from

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time to time by the Lender, from the date of each payment by Lender.

(14) INSURANCE. Grantor shall keep the Property insured for its full value against all hazards including loss or damage caused by fire, collision, theft, flood (if applicable) or other casualty. Grantor shall obtain insurance on the Property from such companies as are acceptable to Lender in its sole discretion. The insurance policies shall require the insurance company to provide Lender with at least thirty (30) days written notice before such policies are altered or cancelled in any manner. The insurance policies shall name Lender as a mortgagee and provide that no act or omission of Grantor or any other person shall affect the right of Lender to be paid the insurance proceeds pertaining to the loss or damage of the Property. In the event Grantor fails to acquire or maintain insurance, Lender (after providing notice as may be required by law) may in its discretion procure appropriate insurance coverage upon the Property and the insurance cost shall be an advance payable and bearing interest as described in Paragraph 29 and secured hereby. Grantor shall furnish Lender with evidence of insurance indicating the required coverage. Lender may act as attorney-in-fact for Grantor in making and settling claims under insurance policies, cancelling any policy or endorsing Grantor's name on any draft or negotiable instrument drawn by any insurer. Such insurance policies shall be constantly assigned, pledged and delivered to Lender for further securing the Obligations. In the event of loss, Grantor shall immediately give Lender written notice and Lender is authorized to make proof of loss. Each insurance company is directed to make payments directly to Lender instead of to Lender and Grantor. In any event Grantor shall be obligated to rebuild and restore the Property.

(15) USE OF INSURANCE TO REBUILD OR REPAIR. In case of Loss to the Property or any part thereof covered by policies of insurance ("Insured Casualty"):

(a) Lender (or after entry of a judgment of foreclosure or sale pursuant to a judgment of foreclosure, the decree creditor or the purchaser at the foreclosure sale, as the case may be) is hereby authorized at its option either (i) to settle and adjust any claim under such policies without the consent of Grantor, or (ii) allow Grantor to agree with the insurance company or companies on the amount to be paid upon the Loss; and provided that in any case Lender shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the expenses incurred by Lender in the adjustment and collection of insurance proceeds shall be so much additional Obligations hereby secured, and shall be paid Lender upon demand.

(b) If, in the reasonable judgment of Lender, the Property can be restored to an economic unit not less valuable than the Property was prior to the Insured Casualty and adequately

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secure the outstanding balance of the Obligations hereby secured, and if default shall not have occurred and be then continuing, then the proceeds of insurance shall be applied to reimburse Grantor for the cost of restoring, repairing, replacing or rebuilding the Property or part thereof; and Grantor hereby covenants and agrees forthwith to commence and diligently to proceed with such restoring, repairing, replacing or rebuilding; provided, always, that Grantor shall deposit in advance with Lender 120% of all costs of such restoring, repairing, replacing or rebuilding in excess of the net proceeds of insurance made available pursuant to the terms hereof.

(c) Except as provided in Subsection (b) of this Paragraph, Lender may apply the proceeds of insurance consequent upon any Insured Casualty upon the Obligations hereby secured, in such order or manner as Lender may elect.

(d) In the event that proceeds of insurance, if any, shall be made available to Grantor by Lender for the restoring, repairing, replacing or rebuilding of the Property, Grantor hereby covenants to restore, repair, replace or rebuild the same, to be of at least equal value, and of substantially the same character as prior to such damage or destruction, all to be effected in accordance with working drawings, plans and specifications to be first submitted to and approved by Lender. The conditions precedent to the application of and availability of insurance proceeds to Grantor are: Grantor is not in default. Lender's prior approval of a lump sum contract(s) (which contract(s) shall require, for the benefit of Lender a performance and payment bond for the full contract amount) for the restoring, repairing, replacing or rebuilding of the Property; Lender's prior approval of a construction escrow agreement with Chicago Title & Trust Company, Grantor and Grantor's general contractor(s) for the project which agreement shall provide title insurance with rate down endorsements insuring Lender's priority (including interim mechanic's lien coverage) for each disbursement of any funds; any disbursements for the restoring, repairing, replacing or rebuilding of the Property shall be disbursed from time to time through the construction escrow created for that purpose; Lender, the title insurer and the construction escrow must be furnished with satisfactory evidence of architect's certificates, waivers of lien, contractor's sworn statements, title insurance endorsements, plats of survey and other such evidences of cost, payment and performance as Lender and the construction escrowee may reasonably require; all funds deposited with Lender, from time to time, for the restoration, repair, replacement or rebuilding of the Property, including the proceeds of insurance and funds deposited for that purpose or irrevocably committed to the satisfaction of Lender by or on behalf of Grantor, shall be at least sufficient, in the reasonable judgment of Lender, to pay for the cost of completion of the restoration, repair, replacement or rebuilding of the Property, free and clear of all liens or claims for lien; and, no payment shall exceed ninety

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percent (90%) of the value of the work performed prior to the final completion of the restoration, repair, replacement and rebuilding of the Property.

(e) Any surplus which may remain out of insurance proceeds held by Lender after payment of such costs of restoration, repair, replacement or rebuilding or costs or fees incurred in obtaining such proceeds shall, at the option of Lender, be applied on account of the Obligations hereby secured. No interest shall be allowed to Grantor on account of any proceeds of insurance or other funds held in the hands of Lender for the restoration, repair, replacement or rebuilding of the Property.

(f) Grantor's Obligations shall not abate in the event of a Loss or an Insured Casualty.

(16) ZONING AND PRIVATE COVENANTS. Grantor shall not initiate or consent to any change in the zoning provisions or private covenants affecting the use of the Property without Lender's prior written consent. If Grantor's use of the Property becomes a nonconforming use under any zoning provision, Grantor shall not cause or permit such use to be discontinued or abandoned without the prior written consent of Lender. Grantor will immediately provide Lender with written notice of any proposed changes to the zoning provisions or private covenants affecting the Property.

(17) CONDEMNATION. Grantor shall immediately provide Lender with written notice of any actual or threatened condemnation or eminent domain proceeding pertaining to the Property. All monies payable to Grantor from such condemnation or taking are hereby assigned to Lender and shall be applied first to the payment of Lender's attorneys' fees, legal expenses (to the extent permitted by applicable law) and other costs including appraisal fees, in connection with the condemnation or eminent domain proceedings and then, at the Lender's sole option, to the payment of the Obligations (due to the decrease in the fair market value of the Property) or the restoration or repair. In any event, Grantor shall be obligated to restore or repair the Property and Lender shall in no event be called upon to repair, alter, replace, restore, or rebuild such Property, or any portion thereof, nor to pay any of the costs or expenses which arise as a result of the condemnation taking.

(18) LENDER'S RIGHT TO COMMENCE OR DEFEND LEGAL ACTIONS. Grantor shall immediately provide Lender with written notice of any actual or threatened action, suit, or other proceeding affecting the Property. In the event of default, Grantor hereby appoints Lender as its attorney-in-fact to commence, intervene in, and defend such actions, suits, or other legal proceedings and to compromise or settle any claim or controversy pertaining thereto. Lender shall not be liable to Grantor for any action, error, mistake, omission or delay pertaining to the actions described in

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this paragraph or any damages resulting therefrom. Nothing contained herein will prevent Lender from taking the actions described in this paragraph in its own name. Grantor shall cooperate and assist Lender in any action hereunder.

(19) INDEMNIFICATION. Lender shall not assume or be responsible for the performance of any of Grantor's Obligations with respect to the Property under any circumstances. Grantor shall immediately provide Lender and its shareholders, directors, officers, employees and agents with written notice of and indemnity and hold Lender harmless from all claims, damages, liabilities, (including attorneys' fees and legal expenses, to the extent permitted by applicable law) causes of action, actions, suits and other legal proceedings (cumulatively "Claims") pertaining to the Property (including, but not limited to, those involving Hazardous Materials). Grantor, upon the request of Lender, shall hire legal counsel acceptable to Lender to defend Lender from such Claims, and pay the attorneys' fees, legal expenses (to the extent permitted by applicable law) and other costs incurred in connection therewith. In the alternative, Lender shall be entitled to employ its own legal counsel to defend such Claims at Grantor's cost. Grantor's obligation to indemnify Lender shall survive the termination, release or foreclosure of this Mortgage.

(20) TAXES AND ASSESSMENTS. Grantor shall pay all taxes and assessments relating to Property when due.

(21) INSPECTION OF PROPERTY, BOOKS, RECORDS AND REPORTS. Grantor shall allow Lender or its agents to examine and inspect the Property. Grantor will provide Lender with current financial statements and other financial information (including, but not limited to, reviewed balance sheets and profit and loss statements) of Grantor, of the Property, any Leasee of the Property and every guarantor of this Note not less than annually within 45 days of the close of their year end for tax purposes. All of the signatures and information contained in Grantor's books and records shall be genuine, true, accurate and complete in all respects. Grantor shall note the existence of Lender's beneficial interest in its books and records pertaining to the Property. Additionally, Grantor shall report and cause to be reported, in a form satisfactory to Lender, such information as Lender may request regarding Grantor's or any guarantor of the Note's financial condition or the Property. All information furnished by Grantor to Lender shall be true, accurate and complete in all respects.

(22) ESTOPPEL CERTIFICATES. Within ten (10) days after any request by Lender, Grantor shall deliver to Lender, or any intended transferee of Lender's rights with respect to the Obligations, a signed and acknowledged statement specifying (a) the outstanding balance on the Obligations; and (b) whether Grantor possesses any claims, defenses, set-offs or counterclaims with respect to the

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Obligations and, if so, the nature of such claims, defenses, set-offs or counterclaims.

Within ten (10) days after any request by Lender, Grantor shall deliver to Lender, or any intended transferee of Lender's rights with respect to the Obligations, a signed and acknowledged statement from any leasee or tenant of the property specifying (a) the outstanding balance of any rent or other amounts due under the their lease agreement with Grantor; and (b) whether the leasee(s) or tenant(s) possess any claims, defenses, set-offs or counterclaims with respect to the occupancy agreement(s) under which they have a right to possession and, if so, the nature of such claims, defenses, set-offs or counterclaims.

Grantor will be conclusively bound by any representation that Lender may make to the intended transferee with respect to these matters in the event that Grantor fails to provide the requested statement in a timely manner.

(23) DEFAULT. Grantor shall be in default under this Mortgage in the event that Grantor or any guarantor of any Obligation:

- (a) fails to pay any Obligation to Lender when due;
- (b) fails to perform any Obligation or breaches any warranty or covenant to Lender contained in this Mortgage, the Assignment of Rents or any other present or future, written or oral, agreement;
- (c) allows the Property to be damaged, destroyed, lost or stolen in any material respect that is not covered by adequate insurance;
- (d) seeks to revoke, terminate or otherwise limit its liability under any guaranty to Lender;
- (e) allows the Property to be used by anyone to transport or store goods the possession, transportation, or use of which, is illegal; or
- (f) causes Lender to deem itself insecure in good faith for any reason.

(24) RIGHTS OF LENDER ON DEFAULT. If there is a default under this Mortgage, Lender shall be entitled to exercise one or more of the following remedies without notice or demand (except as required by Law):

- (a) to declare the Obligations immediately due and payable in full;

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(b) to collect the outstanding Obligations with or without resorting to judicial process;

(c) to require Grantor to deliver and make available to Lender any personal property constituting the Property at a place reasonably convenient to Grantor and Lender;

(d) to collect all of the rents, issues, and profits from the Property from the date of default and thereafter;

(e) to apply for and obtain the appointment of a receiver for the Property without regard to Grantor's financial condition or solvency, the adequacy of the Property to secure the payment or performance of the Obligations, or the existence of any waste to the Property;

(f) to foreclose this Mortgage;

(g) to set-off Grantor's Obligations against any amounts due to Lender including, but not limited to, monies, instruments and deposit accounts maintained with Lender; and

(h) to exercise all other rights available to Lender under any other written agreement or applicable law.

Lender's rights are cumulative and may be exercised together, separately, and in any order. In the event that Lender institutes an action seeking the recovery of any of the Property by way of a prejudgment remedy in an action against Grantor, Grantor waives the posting of any bond which might otherwise be required.

(25) WAIVER OF HOMESTEAD AND OTHER RIGHTS. Grantor hereby acknowledges that the Property is not homestead property and waives all homestead or other exemptions to which Grantor would otherwise be entitled under any applicable law.

(26) WAIVER OF REDEMPTION. Grantor, to the extent Grantor may lawfully do so, hereby waives any and all rights to redeem the Property sold under an order of sale pursuant to foreclosure proceedings, and hereby waives the period of redemption, and any and all rights which would have accrued during such redemption period, but for this waiver.

(27) SATISFACTION. If the principal installment payment of TWO HUNDRED SIXTY THOUSAND DOLLARS (\$260,000.00) of principal pursuant to the Note is paid on or before March 30, 1997 and no uncured default exists pursuant to the Note, this Mortgage or any of the Obligations, then Lender agrees to release and cancel: its security interest in and to the beneficial interest in LASALLE NATIONAL BANK N.A., as Trustee u/t dated August 15, 1967 and known as Trust No. 11-36857-00; its Assignment of Rents for real estate commonly known as 170 Gaylord, Elk Grove Village, Cook County,

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Illinois; and, this Mortgage as modified of even date for real estate commonly known as 170 Gaylord, Elk Grove Village, Cook County, Illinois.

(28) APPLICATION OF FORECLOSURE PROCEEDS. The proceeds from the foreclosure of this Mortgage and the sale of the Property shall be applied in the following manner: first, to the payment of any sheriff's fee and the satisfaction of its expenses and costs; then to reimburse Lender for its expenses and costs of the sale or in connection with securing, preserving and maintaining the Property, seeking or obtaining the appointment of a receiver for the Property, (including, but not limited to, attorneys' fees, legal expenses, filing fees, notification costs, and appraisal costs); then to the payment of the Obligations; and then to any third party as provided by law.

(29) REIMBURSEMENT OF AMOUNTS EXPENDED BY LENDER. Upon demand, Grantor shall immediately reimburse Lender for all amounts (including attorneys' fees and legal expenses) expended by Lender in the performance of any action required to be taken by Grantor or the exercise of any right or remedy of Lender under this Mortgage, together with interest thereon at the lower of the highest rate described in any Obligation or the highest rate allowed by law from the date of payment until the date of reimbursement. These sums shall be included in the definition of Obligations herein and shall be secured by the interest granted herein.

(30) APPLICATION OF PAYMENTS. All payments made by or on behalf of Grantor may be applied against the amounts paid by Lender (including attorneys' fees and legal expenses) in connection with the exercise of its rights or remedies described in this Mortgage and then to the payment of the remaining Obligations in whatever order Lender chooses.

(31) POWER OF ATTORNEY. Grantor hereby appoints Lender as its attorney-in-fact to endorse Grantor's name on all instruments and other documents pertaining to the Obligations or indebtedness. In addition, Lender shall be entitled, but not required, to perform any action or execute any document required to be taken or executed by Grantor under this Mortgage. Lender's performance of such action or execution of such documents shall not relieve Grantor from any Obligation or cure any default under this Mortgage. The powers of attorney described in this paragraph are coupled with an interest and are irrevocable.

(32) SUBROGATION OF LENDER. Lender shall be subrogated to the rights of the holder of any previous lien, security interest or encumbrance discharged with funds advanced by Lender regardless of whether these liens, security interests or other encumbrances have been released of record.

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(33) COLLECTION COSTS. If Lender hires an attorney to assist in collecting any amount due or enforcing any right or remedy under this Mortgage, Grantor agrees to pay Lender's reasonable attorneys' fees and costs. Attorneys' fees are defined for purposes of this Mortgage as the normal hourly rate charged by the attorneys, other professionals or paraprofessionals and their staff selected by Lender, and multiplied by the actual number of hours spent by such attorneys, other professionals or paraprofessionals in the enforcement of any right under this Mortgage.

(34) PARTIAL RELEASE. Lender may release its interest in a portion of the Property or other property secured through other documentation whether acting as security for the Note or otherwise, by executing and recording one or more partial releases without affecting its interest in the remaining portion of the Property. Nothing herein shall be deemed to obligate Lender to release any of its interest in the Property.

(35) MODIFICATION AND WAIVER. The modification or waiver of any of Grantor's Obligations or Lender's rights under this Mortgage must be contained in a writing signed by Lender. Lender may perform any of Grantor's Obligations or delay or fail to exercise any of its rights without causing a waiver of those Obligations or rights. A waiver on one occasion shall not constitute a waiver on any other occasion. Grantor's Obligations under this Mortgage shall not be affected if Lender amends, compromises, exchanges, fails to exercise, impairs or releases any of the Obligations belonging to any Grantor, third party or any of its rights against any Grantor, third party or the Property.

(36) SUCCESSORS AND ASSIGNS. This Mortgage shall be binding upon and inure to the benefit of Grantor and Lender and their respective successors, assigns, trustees, receivers, administrators, personal representatives, legatees and devisees.

(37) NOTICES. Any notice or other communication to be provided under this Mortgage shall be in writing and sent to the parties at the addresses described in this Mortgage or such other address as the parties may designate in writing from time to time. Any such notice so given and sent by certified mail, postage prepaid, shall be deemed given three (3) days after such notice is sent and on any other such notice shall be deemed given when received by the person to whom such notice is being given.

(38) SEVERABILITY. If any provision of this Mortgage violates the law or is unenforceable, the rest of the Mortgage shall continue to be valid and enforceable.

(39) APPLICABLE LAW. This Mortgage shall be governed by the laws of the state Illinois. Grantor consents to the jurisdiction and venue of any court located in such state.

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(40) MISCELLANEOUS. Grantor and Lender agree that time is of the essence. Grantor waives presentment, demand for payment, notice of dishonor and protest except as required by law. Any references to Grantor in this Mortgage shall include all persons signing below. If there is more than one Grantor, their Obligations shall be joint and several. Grantor hereby waives any right to trial by jury in any civil action arising out of, or based upon, this Mortgage, any of the Obligations (specifically but not limited to the Note) or the Property securing this Mortgage. This Mortgage and any related documents represent the complete integrated understanding between Grantor and Lender pertaining to the terms and conditions of those documents.

(41) NOTICE OF RIGHT TO CANCEL. Notwithstanding, the provisions of Paragraph 1, the Lender agrees not to secure this loan with any property requiring the Lender to provide a Notice of Right to Cancel unless that notice has been given.

This Mortgage is executed by said Trustee, not personally, but as Trustee and it is expressly understood that nothing contained herein shall be construed as creating any personal liability on Trustee, and any recovery shall be solely against and out of the Property; however, this waiver shall not affect the liability of any Borrower, Grantor or Guarantor of the Obligations.

Grantor acknowledges that Grantor has read, understands, and agrees to the terms and conditions of this Mortgage.

Dated: September 27, 1996

GRANTOR: LaSalle National Trust, N.A.
as trustee & not personally under trust
no. 36857

BY: *Priscilla Allen*
Trust Officer
Assistant Vice President

Attest: *Nancy A. Black*
Assistant Secretary

This Instrument prepared by
and Mail to:
Manetti & Griffith, Ltd.
Two Oak Brook Place
2311 West 22nd Street
Suite 217
Oak Brook, Illinois 60521
(708) 573-5300

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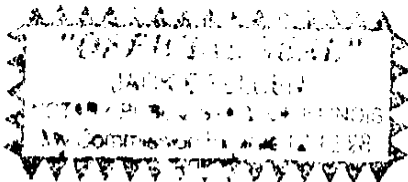
State of Illinois)
)ss
County of Cook)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify, that the above named

Rosemary Collins and Nancy A. Stack
of LASALLE NATIONAL BANK N.A., a national banking association, are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Vice President and Assistant Secretary respectively,

appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said LASALLE NATIONAL BANK N.A. as Trustee, for the uses and purposes therein set forth; and the said trust officer then and there acknowledged that said trust officer as custodian of the corporate seal of said LASALLE NATIONAL BANK N.A. caused the corporate seal of said national banking association to be affixed to said instrument as said trust officer's own free and voluntary act and as the free and voluntary act of said LASALLE NATIONAL BANK N.A. for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 7th day of November, 1996.



Jack F. Feld
Notary Public

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Schedule A

Property

The street address of the Property is:

170 Gaylord, Elk Grove Village, Illinois 60007

Permanent Index No. 08-21-202-031-0000

The legal description of the Property is:

Lot 42 in Higgins Road Commercial Unit No. 28, a
Resubdivision in Sections 21 and 22, Township 41 North,
Range 11, East of Third Principal Meridian, in Cook
County, Illinois

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Schedule B

Chicago Title Insurance Commitment #757 4428

Property address: 170 Gaylord, Elk Grove Village, Illinois 60007

Permitted Exceptions

- A. Taxes for the year 1996
- D. Easement for public utilities and drainage as shown on Plat of aforesaid Subdivision filed October 30, 1967 as Document LR2356547 and recorded October 30, 1967 as Document 20306448 as follows: over the east 25 feet of the Land and west 10 feet.
- E. Easement over that part of the Land noted at Exception Reference D to install, maintain, relocate, renew and remove gas mains and other appurtenances thereto as granted to Northern Illinois Gas Company, its successors and assigns and as shown on Plat of said Subdivision filed October 30, 1967 as Document LR 2356547 and recorded October 30, 1967 as Document 20306448.
- F. Covenants and restrictions contained in Trust Deed dated May 14, 1969 and Recorded June 1, 1969 as Document 20858361 from Chicago Title and Trust Company, as Trustee under Trust No. 45400 to Thomas E. Woelfle Bach, relating to location, construction, building materials, use and type of buildings to be erected on land, loading docks, parking facilities, landscaping, water towers, etc., storage yards for equipment, fences, walls, hedges, etc., rights of way and easements and to use and maintenance thereof.
- Note: said instrument contains no provision for a forfeiture of or reversion of title in case of breach of condition
- G. Easement over the land as noted at Exception Reference Letter D above for the purpose of installing and maintaining all equipment necessary for purpose of serving the Subdivision and other property with electricity and electrical service together with right to overhead aerial service wires and also with right of access thereto as granted to the Illinois Bell Telephone Company and the Commonwealth Edison Company and their respective successors and assigns and as shown on Plat of Subdivision recorded October 30, 1967 as Document 20306448.
- H. Building Line as shown on the Plat of Higgins Road Commercial Subdivision Unit No. 28 filed October 30, 1967 as LR2356547 and recorded October 30, 1967 as Document 20406448 as follows: 25 feet back of the east line.

Unrecorded Lease to Duratrack, Inc.

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