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Prepared By:

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St. Louis, Missouri 63101

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#6226 # RM # -96-971444
COOK COUNTY RECORDER

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Loan No. 00110097

MORTGAGE (Illinois)

THIS MORTGAGE, Made this 18 day of December, 1996, between **NORTHLAKE DEVELOPMENT COMPANY**, an Illinois corporation, 4104 N. Harlem, Suite 220, Chicago, Illinois 60634. (hereinafter referred to as "Mortgagor") and **GENERAL AMERICAN LIFE INSURANCE COMPANY**, a Missouri corporation, having its principal office at 700 Market Street, St. Louis, Missouri 63101, and licensed to do business in the State of Illinois (hereinafter referred to as "Mortgagee"):

WITNESSETH: That Mortgagor hereby grants, bargains, conveys, mortgages and warrants to Mortgagee, the following described real estate, situate, lying and being in the City of Northlake, County of Cook and State of Illinois, to-wit:

See Exhibit "A."

together with all licenses, rents and other revenue thereof and all and singular the tenements, hereditament and appurtenances to the above described property belonging, or in anywise appertaining, including any after-acquired title, reversions, franchise, license, party wall, right-of-way, water right or easement, and also together with all right, title and interest of Mortgagor, from time to time, in and to any and all buildings and improvements and heating, lighting, plumbing, cooking, ventilating, air conditioning and refrigerating equipment, elevators and motors, engines and machinery, sprinkler systems, ice boxes, storm and screen doors, screens, awnings, window shades, floor covering, fixtures, apparatus, equipment and other property now or hereafter owned by Mortgagor, or any successors in title, and attached to or used in connection with the real estate hereinabove described, all of which property, together with any and all replacements thereof, and all similar apparatus, equipment or articles placed in or upon the mortgaged premises, shall be deemed to be fixtures and an accession to the

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freehold, and a part of the realty as between the parties hereto and all persons claiming by, through or under them, and shall be deemed a portion of the security for the indebtedness herein mentioned and secured by this mortgage, and all of the property hereinbefore mentioned is hereinafter designated as "mortgaged property";

TO HAVE AND TO HOLD the mortgaged property, together with all and singular the privileges and appurtenances, tenements, hereditaments, easements, party walls and rights of way thereunto belonging or usually enjoyed with said mortgaged property or any part thereof, and the reversions, remainder and remainders, unto Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, and all right to retain possession of the mortgaged property or any part thereof after any default in or breach of any of the covenants, agreements or provisions herein contained, which said rights and benefits Mortgagor hereby expressly releases and waives;

FOR THE PURPOSE OF SECURING: First, payment of the indebtedness evidenced by one promissory note (and any extension or renewal thereof) dated eveny herewith made by Mortgagor in the original principal sum of NINE MILLION ONE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$9,150,000.00) payable to the order of Mortgagee in lawful money of the United States of America, with interest from date thereof on unpaid principal at the rate of seven and one-half percent (7.50%) per annum, principal and interest payable in installments as follows: On the first day of February, 1997, the sum of Seventy-Three Thousand Seven Hundred Eleven and 78/100 Dollars (\$73,711.78), and a like amount on the first day of each succeeding month thereafter, to and including the first day of December, 2016, and the balance of said principal sum and interest accrued thereon, on the first day of January, 2017. Second, payment by Mortgagor to Mortgagee as herein provided of all sums expended or advanced by Mortgagee pursuant to any term or provision of this mortgage; and Third, performance of each and every covenant and agreement of Mortgagor herein contained.

The Mortgagor covenants with the Mortgagee that Mortgagor is lawfully seized in fee of the mortgaged property; that said property is free from all encumbrances and liens whatsoever; that Mortgagor has a good and legal right to sell and convey the same to Mortgagee; and that Mortgagor will warrant and defend the title to said property to Mortgagee forever against the claims and demands of any person or persons whomsoever; and Mortgagor will execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all and every such further assurances in law for the better assuring, conveying, assigning and transferring unto Mortgagee, all and singular the mortgaged property hereby conveyed, assigned or transferred, or intended so to be, or which Mortgagor may be or hereafter become bound to convey, assign or transfer to Mortgagee in such manner as the Mortgagee shall require.

FOR THE CONSIDERATION AFORESAID, It is further covenanted and agreed by Mortgagor to and with Mortgagee that:

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1. **Taxes.** Mortgagor will, while any of the indebtedness secured hereby remains unpaid, pay, at least ten (10) days before they become delinquent, all taxes (both general and special), assessments and governmental charges lawfully levied or assessed, or that become a lien, against the mortgaged property or any part thereof; will promptly furnish the Mortgagee the receipts, or such other evidence of payment as might be required by Mortgagee, showing such payments; and will allow no payment of any taxes, assessments or governmental charges by a third party with subrogation attaching, nor permit the mortgaged property, or any part thereof, to be sold or forfeited for any tax, assessment or governmental charge whatsoever. Any irregularities or defects in the levy or assessment of taxes, assessments, and governmental charges paid by the Mortgagee are hereby expressly waived and receipt by the proper officer shall be conclusive evidence both as to the amount and validity of such payments.

2. **Insurance.** Mortgagor will keep and pay for the buildings and other insurable property, now or hereafter erected or placed in or on said mortgaged property, to be insured as required by the Mortgagee against loss or damage by fire, windstorm, lightning, explosion, tornado, acts or consequences of war and other hazards, casualties and contingencies, and will carry any other kinds of insurance in such amounts and for such periods as may from time to time be required by Mortgagee, and not less than thirty (30) days prior to the expiration of any policy of insurance, Mortgagor will deliver to Mortgagee renewal or new policies in like amounts covering the same risks together with receipts (showing the premiums therefor have been paid in full). All insurance shall be carried in insurance companies approved by Mortgagee, and the policies shall include the standard provision making loss payable to Mortgagee as first mortgagee, and provide for not less than thirty (30) days' prior written notice to Mortgagee in the event of cancellation or material modification thereof. All policies of insurance shall be delivered to and held by Mortgagee, and Mortgagor will pay promptly when due all premiums for such insurance. Should any loss occur to insured property, the Mortgagee is hereby appointed attorney in fact for the Mortgagor to make proof of loss if Mortgagor fails to do so promptly, and to receipt for any sums collected under said policies, which said sums, or any part thereof, at the option of the Mortgagee may be applied as payment on all reasonable charges in connection with the collection thereof and as payment on the indebtedness hereby secured, or to the restoration or repair of the property so destroyed or damaged. Mortgagor promptly will give notice by registered mail to the Mortgagee of any loss or damage to the said property and will not adjust or settle such loss without the written consent of Mortgagee. In the event of foreclosure of this mortgage, all right, title and interest of Mortgagor in and to any insurance policy then in force shall pass to the purchaser at the foreclosure sale and Mortgagee is hereby appointed attorney in fact for the Mortgagor to assign and transfer said policies. The Mortgagee shall not be responsible for any insurance upon the said property or for the collection of any insurance money or for the insolvency of any insurer.

3. **Tax and Insurance Escrows.** For the purpose of providing regularly for the prompt payment of all taxes, assessments and governmental charges levied or assessed against the mortgaged property and insurance premiums that will become due and payable to renew the insurance on the mortgaged property as may be required by Mortgagee under this mortgage, Mortgagor will deposit with the Mortgagee on the dates installments of principal and interest are

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payable, an amount equal to the taxes, assessments, governmental charges and insurance premiums next due (as estimated by Mortgagee), less amounts already deposited therefor, divided by the number of months to elapse prior to the date when such taxes, assessments, governmental charges and insurance premiums will become due and payable. The moneys thus deposited with the Mortgagee are to be held without interest and shall be applied by it to the payment of said taxes, assessments, governmental charges and insurance premiums as they become due and payable. If at any time Mortgagee deems the amounts deposited insufficient to pay said taxes, assessments, governmental charges and insurance premiums, Mortgagor will deposit with Mortgagee any amount necessary to make up the deficiency.

4. Maintenance, No Mechanics Liens, Inspections. Mortgagor will maintain the mortgaged property free from waste or nuisance of any kind and in good condition, and make all repairs, replacements, improvements and additions which may be necessary to preserve and maintain the mortgaged property and the value thereof; will not destroy or remove or materially alter any of the buildings, improvements or property covered by this mortgage, or permit the same to be destroyed or removed or materially altered, or used for any purpose other than that for which it is now used, without first obtaining the permission in writing of the Mortgagee; will complete in a good, workmanlike manner any building which is being or may be constructed or repaired thereon; will pay when due all claims for labor performed and material furnished, and will not permit any lien of mechanics or material men to attach to mortgaged property. No lien provided for by the Statutes of the State of Illinois in favor of any one furnishing labor or materials in the erection or repair of any building and improvements, now or hereafter, on mortgaged property shall attach to said mortgaged property, building or improvements, except as subject and subordinate to the lien of this mortgage, and any one dealing with said mortgaged property after the recording of this mortgage is hereby charged with notice of and consent to this stipulation, and with a waiver of any lien except as subject and subordinate hereto. The Mortgagor will permit Mortgagee, its agents or representatives, to inspect the mortgaged property at any reasonable time, and will comply with any requirements made by Mortgagee with respect to the mortgaged property or the management thereof.

5. Compliance with Law and Agreements. Mortgagor will keep and comply with all laws, ordinances, regulations, rules, orders and directions of any legislative, executive, administrative or judicial body affecting the mortgaged property or its use. Mortgagor shall pay promptly and keep, observe, perform and comply with all covenants, terms and provisions of operating agreements, leases, instruments and documents relating to the mortgaged property.

6. Repayment of Advances and Note. Mortgagor will repay to Mortgagee, immediately and without demand, in lawful money of the United States of America, at Mortgagee's office, 700 Market Street, St. Louis, Missouri 63101, or at such other place as Mortgagee in writing may direct, all funds hereafter advanced by Mortgagee to Mortgagor, or for the benefit or account of Mortgagor, pursuant to any covenant or agreement herein contained or for any purpose, with interest thereon from date of advance until repaid at the rate of ten and one-half percent (10.5%) per annum (hereinafter "Default Rate"), and will pay promptly when due and payable all indebtedness evidenced by said note.

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7. **Claims Against Property.** Mortgagor promptly will pay and settle or cause to be removed all claims against any of the mortgaged property which affect the rights of Mortgagee hereunder within 180 days of the date any such claim is made or recorded against the mortgaged property and will appear in and defend any action or proceeding purporting to affect the lien of this mortgage or the rights or powers of Mortgagee hereunder, and Mortgagor will pay all expenses incident thereto.

8. **Books of Account.** Mortgagor will maintain complete books of account and records pertaining to the mortgaged property; will allow Mortgagee to inspect at any time all such books and records; and will furnish promptly and fully at any time, upon written request and in such form as Mortgagee may require, audits of Mortgagor's books of account with respect to said property and any and all additional information concerning said property and Mortgagor's business, past operations and prospects.

9. **Condemnation.** All judgments, decrees and awards for injury or damage to the mortgaged property and all awards pursuant to proceedings for condemnation thereof, or any part thereof, as rent or otherwise and whether for a temporary taking or otherwise, are hereby assigned in their entirety to Mortgagee who may apply the same to all reasonable charges in connection with the collection thereof and to the indebtedness secured hereby in such manner as it may elect, and Mortgagee is hereby authorized in the name of Mortgagor to execute and deliver valid acquittances for, and to appeal from, any such award, judgment or decree. Settlement shall be made pursuant to any proceedings for condemnation only with the consent of Mortgagee. Provided, however, Mortgagee shall not be held responsible for any failure to collect awards.

10. **Indulgences or Forbearances.** Mortgagee may at any time and without notice deal in any way with Mortgagor, or grant to Mortgagor any indulgences or forbearances or any extension of the time for payment of any indebtedness secured hereby, or may release portions of the mortgaged property from the lien hereof, without affecting the personal liability of any person for the payment of the indebtedness secured hereby or the priority of the lien of this mortgage upon the remainder of the mortgaged property for the full amount of the indebtedness then remaining unpaid.

11. **Cumulative Remedies; No Waiver.** Every right and remedy provided in this mortgage shall be cumulative of every other right or remedy of Mortgagee, whether herein or by law conferred, and may be enforced concurrently therewith; and no acceptance of the performance of any obligations as to which Mortgagor shall be in default or failure to exercise any rights or remedy upon a particular default or breach shall be construed as a waiver of the same or any other default then, theretofore or thereafter existing.

12. **Assignment of Leases and Rents.** Mortgagor does hereby assign, transfer and set over unto the Mortgagee all leases (whether written or oral), rents, revenues and income on and from the property covered by this mortgage, as additional security for the indebtedness and the performance of the conditions, covenants and agreements to be performed on the part of

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Mortgagor hereunder, and the Mortgagee is given a prior and continuing lien thereon. Upon default in the payment of any installment of principal or interest of any note or notes secured hereby or upon default in the performance of any of the conditions, covenants or agreements herein contained, the Mortgagee, itself, or through its duly authorized agent, shall be entitled to immediate possession of the mortgaged property and shall have the right to control, manage and operate the same and collect the rents and revenue therefrom, and rent, lease or let all or any part of the mortgaged property to any party or parties, at such rental and upon such terms as Mortgagee shall, in its discretion, determine, and after the deduction of the expenses incidental thereto including reasonable attorney's fees, shall apply the rents and revenue derived from the mortgaged property to the payment of any indebtedness then due and secured hereby or incurred hereunder, in such manner as Mortgagee may elect, and after all causes of default shall have been remedied and after making such provisions for the next maturing obligations as the Mortgagee shall deem advisable, said property and any surplus remaining in the hands of Mortgagee shall be turned over to the Mortgagor or to the party entitled thereto; provided, however, that, unless there is a default under the terms of this mortgage or of the said note or notes, Mortgagor may continue to collect and enjoy said rents, revenues and income as they accrue without accountability to the Mortgagee, but in no event shall Mortgagor collect more than two months' rental in advance or waive, release, reduce or discount any part of the rents to accrue for any part of the mortgaged property without first receiving the written consent of Mortgagee. Mortgagor waives any rights of set-off against any person in possession of any part of the mortgaged property and agrees that it will not assign any of the rents or profits from the mortgaged property except with the consent of Mortgagee. This assignment of leases, rents, revenues and income shall be irrevocable and in addition to other remedies herein provided for in the event of default, but the Mortgagee shall be under no liability by reason of its failure or inability to collect any rents, revenues or income herein assigned. This assignment shall apply to all rents, revenues and income hereinafter accruing from present leases and tenants and from all leases and rentals hereinafter made by the present or any future owners of the property. The power of entry and the powers incident thereto as in this paragraph provided for may be exercised as often as occasion therefor shall arise, and their exercise shall not suspend or modify any other right or remedy hereunder.

13. **Receiver.** Upon commencement of any foreclosure proceeding, the court in which said proceeding is filed, at any time thereafter, either before or after sale, and without notice to Mortgagor or any party claiming under him, and without Mortgagee giving bond (such notice and bond being hereby expressly waived), and also without reference to the then value of the mortgaged property, to the use of said property as a homestead, or to the solvency or insolvency of any person liable for any of said indebtedness, or other grounds for extraordinary relief, may appoint a Receiver for the benefit of Mortgagee, with power to take immediate possession of the mortgaged property, manage, rent and collect the rents, issues and profits thereof during the pendency of such foreclosure suit and, in case of sale and deficiency, during the statutory period of redemption, if any, and such rents, issues and profits, when collected, may be applied toward the payment of any indebtedness then due and secured hereby, and the costs, taxes, insurance or other items necessary for the protection and preservation of the mortgaged property, including the expenses of such receivership; and in connection with the

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aforesaid proceedings, or if Mortgagee shall bring, intervene in or defend any other action to protect or establish any of its rights hereunder, the Mortgagor will pay, in addition to costs and disbursements allowed by law, the reasonable costs of bringing, intervening in or defending any such action, including reasonable attorneys' fees, all of which shall be added to the indebtedness secured hereby.

14. **Defaults, Remedies.** If default be made in the performance of any covenant or agreement of Mortgagor herein contained or in making any payment under said note (or any extension or renewal thereof) or as herein provided; or if any party liable for the indebtedness secured hereby file a voluntary petition in bankruptcy, make an assignment for the benefit of any creditor, or be declared bankrupt or insolvent; or if a debtor's or creditor's petition, filed pursuant to the provisions of the Bankruptcy Act as amended, affecting the mortgaged property, be approved; or if the mortgaged property be placed under control or in custody of any court; or if Mortgagor abandon any of the mortgaged property; then in any of said events, Mortgagee is hereby authorized and empowered at its option, without notice and without affecting the lien hereby created, or the priority of said lien or any right of Mortgagee hereunder.

(a) To perform any such defaulted covenant or agreement to such extent as Mortgagee shall determine and to do and perform such other acts with respect to mortgaged property as Mortgagee shall deem necessary and advance such moneys as Mortgagee shall deem advisable for any of the aforesaid purposes, and all moneys so advanced by Mortgagee, with interest thereon from date advanced until repaid at the Default Rate, shall be secured hereby, and shall be repaid promptly without demand, but nothing herein contained shall be construed as requiring Mortgagee to advance money or to take any affirmative action for any of the aforesaid purposes;

(b) To declare, without notice, all sums secured hereby immediately due and payable, whether or not such default be remedied by Mortgagor, and to enforce any of the rights which accrue to Mortgagee hereunder, and proceed to foreclose this mortgage, and to exercise all other rights and remedies it has at law or in equity.

No right or remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other right or remedy, but every right and remedy herein provided shall be cumulative, and shall be in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity.

15. **Foreclosure Expenses.** In case of foreclosure of this mortgage in any court of law or equity whether or not any order or decree shall have been entered therein, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, guarantee policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee

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may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the mortgaged property. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the Default Rate, when paid or incurred by Mortgagee in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which either of them shall be a party, either as plaintiff, claimant or defendant, by reason of this mortgage or any indebtedness hereby secured; or (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclosure whether or not actually commenced; or (c) preparations for the defense of any threatened suit or proceeding which might affect the premises or the security hereof, whether or not actually commenced.

16. **Acceleration of Debt.** The act of Mortgagee in exercising its option electing to declare the entire indebtedness secured hereby due and payable upon breach of any of the covenants or agreements herein contained may be evidenced by the filing of proceedings to foreclose this mortgage, by the filing of a suit in ejectment to obtain possession of the mortgaged property, by the filing of suit upon the note secured hereby or upon any other indebtedness secured hereby, or by the depositing of a letter, stating that Mortgagee has exercised its option and has elected to declare the entire indebtedness due and payable, enclosed in an envelope properly sealed and stamped, in the United States mails, addressed to Mortgagor at the address last known to Mortgagee; provided, however, that nothing herein contained shall be interpreted to impose a duty upon Mortgagee to evidence in any of the ways herein stated its election to declare the entire indebtedness due and payable.

17. **Change in Law.** In the event of the passage, after the date of this mortgage, of any law of the State of Illinois, deducting from the value of real estate for the purpose of taxation, any lien thereon, or changing in any way the laws now in force for the taxation of mortgages, deeds of trust or debt secured thereby, for state or local purposes, or the manner of the collection of any such taxes, so as to affect the interest of the Mortgagee hereunder, or imposing upon Mortgagee the payment of the whole or any part thereof, the whole of the principal sum secured by this mortgage, together with interest accrued thereon, shall at the option of Mortgagee, after thirty (30) days' notice to the Mortgagor or the then record owner of said mortgaged property, become immediately due and payable, and Mortgagor shall in any such event, pay such taxes, liens and impositions.

18. **Waivers by Mortgagor.** Mortgagor hereby waives, to the extent permitted by law, the benefits of any valuation, appraisal, exemption, stay, redemption and moratorium laws, now in force or which may hereafter become laws, and Mortgagor, on behalf of itself and each and every person, except its decree or judgment creditors hereafter acquiring any interest in or title to the mortgaged property, hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this mortgage.

19. **Due-on Sale.** In the event the mortgaged property, or any part thereof, or any interest therein (including but not limited to the beneficial interest of any trust which holds title

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to the mortgaged property) are sold, conveyed, transferred or alienated, the note and obligations secured by this instrument, irrespective of the maturity dates expressed therein, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable.

20. **Successors and Assigns.** The terms used to designate any of the parties herein shall be deemed to include the heirs, representatives, successors and assigns of such parties; and the term "Mortgagee" shall also include any lawful owner, holder or pledgee of any indebtedness secured hereby.

21. **Satisfaction of Mortgage.** The condition of this mortgage is such that if Mortgagor shall well and truly make all payments called for herein and in said note in accordance with its terms, and shall perform and comply with each and all of the covenants, conditions and agreements either in said note or in this mortgage contained, then this mortgage shall be null and void, but otherwise the same shall remain in full force and virtue in law. When this mortgage shall have been fully paid in accordance with its terms, the same shall be duly released by Mortgagee and all legal fees and expenses pertaining to such release shall be paid by Mortgagor.

22. **Indemnification and Release.** Mortgagor will protect, save harmless and indemnify Mortgagee from and against any and all claims, liabilities, costs and expenses, of whatever nature, including attorneys' fees, which may arise or result, directly or indirectly, by reason of the use or occupation of the mortgaged property or any part thereof or by reason of any suit or proceeding in or to which Mortgagee may be made a party for the purpose of protecting the lien of this mortgage or its rights hereunder. No liability shall be enforced or asserted against Mortgagee in the exercise of the powers herein granted to it and Mortgagor expressly waives and releases any such liability.

23. **Miscellaneous.** The unenforceability or invalidity of any one or more provisions, clauses, sentences and/or paragraphs hereof shall not render any other provisions, clauses, sentences and/or paragraphs herein contained unenforceable or invalid. Whenever the context hereof requires, reference herein made to the singular number shall be understood as including the plural, and likewise the plural shall be understood as denoting the singular; words denoting sex shall be construed to include the masculine, feminine and neuter, when such construction is appropriate; and specific enumeration shall not exclude the general but shall be considered as cumulative. Time is of the essence hereof. Every covenant and agreement herein of Mortgagor shall run with the land, is a condition upon which the loan secured was made, and is of the essence of this instrument, and breach of any thereof shall be deemed a material breach going to the substance hereof. This mortgage shall be governed in accordance with the internal laws of the State of Illinois. The headings of the paragraphs hereof are for convenience only, and shall not limit or affect any of the terms of this mortgage.

24. **Environmental Matters.** Mortgagor represents that it, and the holders of easements, licenses, occupancy agreements and any other rights relating to the use of all or any portion of the mortgaged property (herein jointly called "Persons Responsible"), are currently

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in compliance with, and covenants and agrees that it will manage and operate the mortgaged property and will cause each Person Responsible to occupy and use its demised portion of the mortgaged property in compliance with, all federal, state and local laws, rules, regulations and ordinances regulating, without limitation, air pollution, soil and water pollution, and the use, generation, storage, treatment and removal, handling or disposal of hazardous or toxic substances or other materials (including, without limitation, raw materials, products, building components, supplies or wastes). Mortgagor further covenants and agrees that it shall not install or permit to be installed in the mortgaged property asbestos or any substance containing asbestos and deemed hazardous by or in violation of such federal, state or local laws, rules, regulations or orders respecting such material. Mortgagor shall send to Mortgagee, within five days of receipt or completion thereof, any report, citation, notice or other writing including, without limitation, hazardous waste disposal manifests, by, to or from any governmental or quasi-governmental authority empowered to regulate or oversee any of the activities discussed in this paragraph, whether demonstrating compliance with applicable law, noticing noncompliance, requesting or requiring notice or action, commencing investigation or requesting Mortgagor to show cause why action is not required. After reasonable inquiry and investigation, Mortgagor is not aware of any hazardous or toxic substances on or in the property whether contained in tanks or other containers, in structures or equipment, or incorporated in buildings. In the event that, through whatever means, Mortgagor or a third party discovers hazardous substances on the mortgaged property, Mortgagor shall remedy, rectify, rehabilitate, correct and remove from the mortgaged property and dispose of any such hazardous or toxic substances or other materials in a manner consistent with and in compliance with applicable laws, rules, regulations and ordinances. Mortgagor shall take any and all action necessary, including but not limited to, bringing legal suit against, those Persons Responsible for the presence of the substance on site, or otherwise obligated by law to bear the cost of such remedy. Mortgagee shall be subrogated to Mortgagor's rights against any and all Persons Responsible; provided, however, Mortgagee shall in no event be obligated to remedy, rectify, rehabilitate, correct or remove and dispose of any such substances nor shall Mortgagee be obligated to take any action against Persons Responsible for the foregoing activities. Mortgagor agrees to indemnify, defend with counsel acceptable to Mortgagee (at Mortgagor's sole cost), and hold Mortgagee harmless against any claim, response or other costs, damages, liability or demand (including without limitation reasonable attorney fees and costs incurred by Mortgagor or Mortgagee, or both) arising out of any claimed violation by Mortgagor or any Person Responsible for any of the foregoing laws, regulations or ordinances or breach of any of the foregoing representations, covenants or agreements. Mortgagor specifically agrees that, notwithstanding any provision to the contrary in this Deed of Trust this indemnification shall survive the reconveyance or release of this mortgage, whether pursuant to payment in full of the note secured hereby or judicial or non-judicial foreclosure by Mortgagee under this mortgage and that, if requested by Mortgagee, Mortgagor at any time shall execute a separate writing setting forth such indemnification.

25. **Annual Reports.** Mortgagor, its successors and assigns, will furnish to Mortgagee by April 1 of each calendar year a sworn financial statement with respect to the annual income and expenses of Mortgagor in connection with the mortgaged property, based upon Mortgagor's records and compiled in accordance with generally accepted accounting

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principles, a current rent roll showing tenants, area leased, monthly rent, expense contributions and lease expiration dates and a current financial statement of Mortgagor personally, and will also furnish to Mortgagee upon written demand any additional information concerning the operation of the mortgaged property as Mortgagee may request.

NORTHLAKE DEVELOPMENT COMPANY,
an Illinois corporation

Wkt: Jerry L. Thibos
Jerry L. Thibos
Secretary

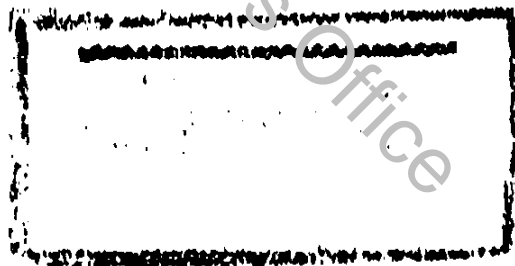
By: Michael A. Marchese
Print Name: Michael A. Marchese
Title: President

STATE OF ILLINOIS)
COUNTY OF Illinois)

The foregoing instrument was acknowledged before me this 18 day of December, 1996, by MICHAEL A. MARCHESE of NORTHLAKE DEVELOPMENT CORPORATION, an Illinois corporation, on behalf of the corporation.

* AND JERRY L. THIBOS

Jerry L. Thibos
Notary Public



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EXHIBIT A

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PARCEL 1:

LOTS 1, 2, 7, 8 AND 9 IN NORTHLAKE COMMONS SHOPPING CENTER, RECORDED DECEMBER 21, 1995 AS DOCUMENT NUMBER 95089918, BEING A RESUBDIVISION OF PART OF "THE H.O. STONE NORTHLAKE ADDITION", BEING A SUBDIVISION OF THAT PART OF THE NORTHEAST 1/4 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND RECORDED JULY 3, 1930 AS DOCUMENT NUMBER 10697148, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

EASEMENT FOR INGRESS AND EGRESS CREATED BY RECIPROCAL EASEMENT AND OPERATION AGREEMENT ENTERED INTO BY NORTHLAKE DEVELOPMENT COMPANY, OFFICE DEPOT, INC., SERVICE MERCHANDISE COMPANY, INC., AND PETSMART INC., DATED JUNE 14, 1995 AND RECORDED OCTOBER 10, 1995, 1995 AS DOCUMENT NUMBER 95687795 OVER AND ACROSS THE LAND DESCRIBED THEREIN.

PARCEL 3:

EASEMENT FOR INGRESS AND EGRESS CREATED BY RECIPROCAL EASEMENT AGREEMENT BETWEEN WALMART STORES INC., AND NORTHLAKE DEVELOPMENT COMPANY DATED MAY 26, 1995 AND RECORDED AS DOCUMENT NUMBER 95548027 OVER AND ACROSS THE LAND DESCRIBED THEREIN.

PARCEL 4:

EASEMENT FOR INGRESS AND EGRESS CREATED BY EASEMENT GRANT BETWEEN THE CITY OF NORTHLAKE AND NORTHLAKE DEVELOPMENT COMPANY DATED MARCH 5, 1996 AND RECORDED APRIL 29, 1996 AS DOCUMENT NUMBER 96310895 OVER AND ACROSS THE LAND DESCRIBED THEREIN.

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