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THIS INSTRUMENT PREPARED
BY, AND AFTER RECORDING,
MAIL TO:

Bennett L. Cohen, Esq.
Cohen, Cohen & Salk PC
630 Dundee Rd-Rm 120
Northbrook, IL 60062

96018306

. DEPT-01 RECORDING \$57.00
. T40012 TRAM 8588 01/08/96 11:43:00
. 42715 = CG *-96-018306
. COOK COUNTY RECORDER

1586374/01-1002-1K

MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT

5700

THIS MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT (hereinafter referred to as this "Mortgage") is made as of December 20, 1995 from WILLIAMSBURG OFFICE CORPORATION, an Illinois corporation ("Mortgagor"), with a mailing address at 1550 Northwest Highway, Park Ridge, Illinois 60068, and COMERICA BANK-ILLINOIS, an Illinois state banking corporation ("Mortgagee"), with a mailing address at 10101 West Grand, Franklin Park, Illinois 60131;

WHEREAS, David M. Friedman and Susan Friedman (singularly, a "Borrower" and collectively, the "Borrowers") are justly and truly indebted to the Mortgagee in the principal sum of Two Million Nine Hundred Thousand and no/100 (\$2,900,000.00) Dollars evidenced by a certain Variable Rate-Single Payment Note of even date herewith in said principal sum (the "Note") executed by Borrowers, payable to the order of Mortgagee on December 31, 1998, together with interest payable monthly, commencing on February 1, 1996 and continuing on the same day of each month thereafter, calculated at the variable rate per annum equal to the prime rate of interest announced or published by the Mortgagee from time to time. Interest on the unpaid principal balance of the Note after maturity or default shall be calculated at three percent (3%) above the Mortgagee's prime rate (the "Default Rate"); and

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WHEREAS, as a condition precedent to the extension of the loan described above to Borrowers, the Mortgagee requires that this Mortgage secure the payment of such loan, and such other indebtedness hereinbelow recited;

NOW, THEREFORE, in consideration of the premises, and to secure (a) the punctual and full payment of the debt evidenced by the Note, with interest, when the same becomes due and payable (whether by lapse of time, acceleration or otherwise), and all renewals, extensions, modifications, refinancings and amendments thereof or thereto; (b) the payment of all other indebtedness, obligations and

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liabilities which this Mortgage secures pursuant to any of its terms, including, without limitation, all expenses and charges, legal or otherwise, including reasonable attorneys' fees, paid or incurred by the Mortgagee in realizing upon or protecting this Mortgage or the indebtedness secured hereby; (c) the performance of Borrowers' covenants and agreements under the Note; and (d) the performance of Mortgagor's covenants and agreements under this Mortgage, Mortgagor does hereby GRANT, MORTGAGE, CONVEY AND ASSIGN to Mortgagee, its successors and assigns, the real estate described in Exhibit A attached hereto and incorporated herein by reference, being situated in the County of Cook, State of Illinois;

TOGETHER WITH (1) all buildings, improvements, fixtures, appurtenances, easements and hereditaments thereto belonging; and together with all equipment and machinery now or hereafter therein or thereon used to supply heat, gas, air conditioning, electrical, sprinkler systems, plumbing, water, light, power, refrigeration and ventilation; elevators, escalators, communication and electronic monitoring equipment, tanks, pumps and together with any other fixtures, equipment, machinery or other personal property now or hereafter placed on the above described property which shall be employed in connection with the operation, use, occupancy or enjoyment thereof; (2) all right, title and interest of Mortgagor, including any after-acquired title or reversion, in and to the rights-of-way, roads, streets, avenues and alleys adjoining the Mortgaged Premises; (3) all rents, issues, proceeds and profits accruing and to accrue from the Mortgaged Premises and all right, title and interest of Mortgagor in and to any and all leases approved by Mortgagee now or hereafter on or affecting the Mortgaged Premises, whether written or oral, and all other leases and agreements for the use thereof, and all renewals, extensions and substitutions thereof (all of the foregoing collectively, the "Leases"), together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission of Mortgagee given to Mortgagor to collect the rentals to be paid pursuant thereto, provided Mortgagor shall not be in default hereunder; and (4) all proceeds heretofore or hereafter payable to Mortgagor by reason of loss or damage by fire and such other hazards, casualties and contingencies insured pursuant to the insurance policies hereinafter described and awards and other compensation heretofore or hereafter payable to Mortgagor for any taking by condemnation or eminent domain proceedings of all or any part of the Mortgaged Premises or any easement or appurtenance thereof, including severance and consequential damage. (said real estate and all of the above collectively referred to herein as the "Mortgaged Premises");

TO HAVE AND TO HOLD the Mortgaged Premises unto Mortgagee, its successors and assigns forever, provided, however, that if and when all principal and accrued interest on the Note and all other indebtedness and obligations hereby secured shall be paid in full, and Mortgagor shall perform all of the terms, covenants and agreements contained herein, then this Mortgage shall be released upon the written request and expense of Mortgagor.

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Mortgagor covenants that Mortgagor is lawfully seized of the real estate hereby conveyed and has the unqualified right to mortgage, grant and convey the Mortgaged Premises to Mortgagee; that the Mortgaged Premises are unencumbered, and that Mortgagor will warrant and defend, at its sole expense, the title to the Mortgaged Premises against all claims and demands, subject to any declarations, easements and restrictions of record existing on the date hereof, approved by Mortgagee.

As provided in Section 9 hereinbelow, the total amount of indebtedness secured by this Mortgage may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed a maximum principal amount of Two Million Nine Hundred Thousand and no/100 (\$2,900,000.00) Dollars, plus interest thereon, and any disbursements made by Mortgagee for the payment of taxes, special assessments, or insurance on the Mortgaged Premises, or to protect the Mortgaged Premises or the lien of this Mortgage, with interest on all such disbursements calculated at the Default Rate, and all costs of collection and of foreclosing this Mortgage, including reasonable attorneys' fees.

MORTGAGOR HEREBY FURTHER COVENANTS TO MORTGAGEE AND AGREES AS FOLLOWS:

1. Mortgagor hereby agrees: (a) to pay when due all indebtedness secured by this Mortgage, all interest thereon and all other indebtedness, obligations and liabilities which this Mortgage secures, and to duly perform and observe all of the covenants, agreements and provisions herein or in the Note to be performed and observed; (b) not to commit or permit to exist any waste of the Mortgaged Premises (non-payment of taxes or cancellation of insurance shall each constitute waste) and to keep the Mortgaged Premises in good condition and repair; (c) to keep the Mortgaged Premises free of any mortgage, trust deed, assignment of leases and rentals, security agreement, mechanic's lien, or other lien or encumbrance (except this Mortgage); (d) not to suffer or permit unlawful use or any nuisance to exist upon the Mortgaged Premises; (e) not to remove or demolish any part of the improvements of a structural nature which would adversely affect the value of the Mortgaged Premises; (f) not to abandon the Mortgaged Premises; (g) to pay when due any indebtedness or liability which may be secured by a mortgage, lien, other encumbrance or charge on all or any part of the Mortgaged Premises equal or senior in priority to this Mortgage; (h) to complete within a reasonable time any buildings or improvements now or at any time in the process of erection upon the Mortgaged Premises; (i) immediately after destruction or damage to all or any part of the Mortgaged Premises to commence and promptly complete the rebuilding or restoration of buildings, improvements and all other property now or hereafter on the Mortgaged Premises unless Mortgagee elects to apply the proceeds of insurance to the indebtedness secured by this Mortgage as hereinafter provided; (j) to comply with all laws, regulations, rulings, ordinances, orders and all other requirements imposed by any governmental or other

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competent authority and with all restrictions, covenants and conditions relating to the Mortgaged Premises or to the use thereof; (k) not to make or permit, without first obtaining the written consent of the Mortgagee, the use of the Mortgaged Premises for any purpose other than that for which it was used on the date of this Mortgage or the removal, demolition or sale of any building, improvement, fixture, machinery or equipment now or hereafter upon the Mortgaged Premises; (l) to keep and maintain such books and records as required by Mortgagee and to permit Mortgagee reasonable access to and the rights of inspection of such books and records; (m) to furnish to the Mortgagee such information and data with respect to the financial condition, business affairs and operations of Mortgagor and the Mortgaged Premises as may be reasonably requested (all such information and data to be prepared in accordance with generally accepted accounting principles consistently applied); (n) that no construction shall hereafter be commenced upon the Mortgaged Premises unless the plans and specifications for such construction have been submitted to and approved in writing by Mortgagee to the end that such construction shall not, in the reasonable judgment of the Mortgagee entail prejudice of the loan evidenced by the Note and this Mortgage; and (o) to provide, improve, grade, surface and thereafter maintain, clean, repair, police and adequately light parking areas within the Mortgaged Premises of sufficient size to accommodate not less than all standard-size American-made automobiles or as may be required by law, ordinance or regulation, together with any sidewalks, aisles, streets, driveways and sidewalk cuts and sufficient paved areas for ingress, egress and right-of-way to and from the adjacent public thoroughfares necessary or desirable for the use thereof.

2. Mortgagor shall keep the improvements now existing or hereafter erected on the Mortgaged Premises constantly insured under fire insurance policies acceptable to Mortgagee, and Mortgagor shall promptly pay, when due, any premiums on such insurance. Such insurance shall provide "all risk" coverage (including, without limit, risks of fire, lightning, windstorm, malicious mischief, vandalism and other extended coverage hazards), in an amount not less than Two Million Nine Hundred Thousand and no/100 (\$2,900,000.00) Dollars, and shall be carried with companies rated A Class IV or better in the most recent publication of Best's Key Rating Guide, Property-Casualty, and shall have attached thereto replacement cost endorsements and standard noncontributing Mortgagee Clauses in favor of Mortgagee, entitling Mortgagee alone to collect any and all of the proceeds payable under all such insurance, as well as standard waiver of subrogation endorsements. Mortgagor shall not carry separate insurance, concurrent in kind or form and contributing in the event of a loss, with any insurance required hereunder. In the event of a change in ownership or of occupancy of the Mortgaged Premises (if approved in writing by Mortgagee), immediate notice thereof by mail shall be delivered by Mortgagor to all insurers. In the event of a loss covered by such insurance, Mortgagor shall immediately notify Mortgagee in writing, and Mortgagor hereby authorizes and directs each and every insurance company concerned to make payments for such loss directly

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and solely to Mortgagee (who may, but need not, make proof of loss) and Mortgagee is hereby authorized to adjust, collect and compromise in its reasonable discretion all claims under all policies, and Mortgagor shall sign, upon demand by Mortgagee, all receipts, vouchers and releases required by such insurance companies. After deducting any costs of collection, Mortgagee may use or apply the proceeds, at its option (i) as a credit upon any portion of the indebtedness secured hereby, or (ii) to repair and restore the improvements to the same or better condition than that which existed prior to said casualty, in which event Mortgagee shall not be obliged to see to the proper application thereof nor shall the amount so released or used for restoration be deemed a payment on the indebtedness secured hereby, or (iii) to deliver same to Mortgagor. In the event Mortgagee shall elect to apply such proceeds to restoring the improvements, such proceeds shall be made available to Mortgagor, from time to time, upon Mortgagee being furnished with satisfactory evidence of the estimated cost of such restoration and with such architect's certificates, waivers of lien, contractor's sworn statements and other evidence of cost and of payments as Mortgagee may reasonably require and approve. If the estimated cost of the work exceeds five percent (5%) of the original principal amount of the indebtedness secured hereby, then Mortgagor shall furnish Mortgagee with all plans and specifications for such rebuilding or restoration for Mortgagee's approval. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed, from time to time, and at all times the undisbursed balance of said proceeds remaining in the hands of Mortgagee shall be at least sufficient to pay for the cost of completion of the work free and clear of any liens. The proceeds of any insurance paid to and held by Mortgagee shall be deposited in an interest bearing account and the interest earned thereon shall be considered a part of such proceeds subject to this Mortgage. In the event of foreclosure of this Mortgage, or other transfer of title to the Mortgaged Premises in extinguishment of the indebtedness secured hereby, all right, title and interest of Mortgagor, in and to any insurance policies then in force, and any claims or proceeds thereunder shall pass to Mortgagee or any purchaser or grantee. In the event Mortgagee, in its reasonable discretion, determines that any insurance provided by Mortgagor does not comply with the insurance requirements set forth herein, then Mortgagee may, at any time and at its own discretion, procure and substitute for any and all of the insurance so held as aforesaid, such other policy or policies of insurance, in such amount and carried in such company as it may determine, the cost of which shall be repaid to Mortgagee by Mortgagor upon demand. Mortgagor shall furnish to Mortgagee, upon its request, estimates or appraisals of insurable value, without cost to Mortgagee, such as are regularly and ordinarily made by insurance companies to determine the then replacement cost of the building or buildings and improvements on the Mortgaged Premises.

Mortgagor shall carry and maintain in force at all times comprehensive public liability insurance as may be required from time to time by Mortgagee in forms, amounts and with companies

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satisfactory to Mortgagee, and Mortgagor will apply all insurance proceeds under such policies to the payment and discharge of the liabilities in respect of which such proceeds are collected. It is understood and agreed that the amounts of coverage shall not be less than TWO MILLION (\$2,000,000.00) DOLLARS with respect to personal injury or death to one or more persons, and TWO MILLION (\$2,000,000.00) DOLLARS with respect to damage to property, with companies having a Best's rating as good or better than as described in the preceding paragraph, and that the policy shall name Mortgagee as an additional insured party thereunder.

Mortgagor shall cause to be maintained in place at all times flood insurance in an amount satisfactory to Mortgagee in accordance with the provisions of the Flood Disaster Protection Act of 1973, as amended or supplemented from time to time, (the "Act"), and all regulations thereunder, if the Mortgaged Premises are now or hereafter during the term of this Mortgage located in an area which is designated as "flood prone" or a "flood risk" area, as defined in the Act, and Mortgagor will comply with such other requirements of the Act as are appropriate including, but not limited to, the requirements of the National Flood Insurance Program.

Unless Mortgagee otherwise agrees, all policies of insurance required hereunder to be maintained, together with evidence in the form of a paid premium receipt that the premium therefor covering a period of not less than one (1) year has been prepaid, shall be deposited with Mortgagee (together with duly executed certificates of insurance evidencing all required coverages hereunder) which policies shall provide for, among other things, written notice to Mortgagee of their expiration or any anticipated cancellation at least thirty (30) days prior to such event occurring. Not less than fifteen (15) days prior to the expiration of any such policy, Mortgagor shall deposit an appropriate renewal or replacement policy (or duly executed certificates of insurance showing such renewal or replacement) and evidence of the premium payment therefor, as aforesaid.

3. Mortgagor shall immediately pay, when first due and owing, all general real estate taxes, special taxes, special assessments, water and sewer charges and all other taxes, charges, fees and assessments which may be levied upon or imposed against the Mortgaged Premises before any charge for nonpayment attaches or accrues, and Mortgagor shall furnish the Mortgagee, upon request, with the original or duplicate receipts therefor. In addition, if required by Mortgagee, Mortgagor will reimburse to Mortgagee its cost of employing a real estate reporting service to confirm that all real estate taxes and assessments levied upon or imposed against the Mortgaged Premises are timely paid by Mortgagor.

4. Following the occurrence of an Event of Default and Mortgagee's written request to do so, Mortgagor shall pay to Mortgagee, at the time of and in addition to the monthly installments of principal and/or interest due under the Note, a sum equal to one-twelfth (1/12) of the amount estimated by Mortgagee

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to be sufficient to enable Mortgagee to pay at least thirty (30) days before they become due and payable, all taxes, assessments and other similar charges levied against the Mortgaged Premises. Mortgagee shall apply the sums received to pay such taxes, assessments and charges. These sums may be commingled with the general funds of Mortgagee, and no interest shall be payable on them nor shall these sums be deemed to be held in trust for the benefit of Mortgagor. Upon notice at any time, the Mortgagor will, within ten (10) days, deposit such additional sums as may be required for the payment of increased taxes, assessments, or charges. In the event of foreclosure of this Mortgage, any of the monies then remaining on deposit with Mortgagee or its agent shall be applied against the Note or other indebtedness hereby secured prior to the commencement of foreclosure proceedings. The obligation of the Mortgagor to pay taxes, assessments, or charges is not affected or modified by the arrangements set out in this Section. Any default by Mortgagor in the performance of the provisions of this Section shall constitute a default under this Mortgage.

5. If Mortgagor fails to perform any of its obligations under this Mortgage, or if any action or proceeding is commenced which materially affects Mortgagee's interest in the Mortgaged Premises (including, but not limited to, a lien priority dispute, eminent domain, condemnation, code enforcement, insolvency, bankruptcy or probate proceedings), then Mortgagee, at its sole option, may make appearances, disburse sums and take any action it deems necessary to protect its interest (including, but not limited to, the disbursement of reasonable attorneys' fees and paralegals' fees, the entry upon the Mortgaged Premises to make repairs, the full or partial payment of principal or interest on prior encumbrances, the payment of delinquent taxes and insurance premiums and the purchase, discharge or settlement of any tax lien or any other prior lien or claim, or the redemption from any tax sale or forfeiture affecting the Mortgaged Premises or the contest of any tax or assessment). All monies paid or incurred by Mortgagee in connection therewith including costs and reasonable attorneys' fees and any other monies advanced by Mortgagee to protect the Mortgaged Premises shall be so much additional indebtedness secured hereby and shall be immediately due and payable by Mortgagor together with interest at the Default Rate.

6. In the event that the Mortgaged Premises or any part thereof is taken by condemnation, Mortgagee is hereby empowered to collect and receive any awards resulting therefrom ("Awards"), which shall, at the election of Mortgagee, be applied to the payment of the Note or any other indebtedness secured hereby, or on account of rebuilding or restoring that part of Mortgaged Premises not so taken or damaged. If Mortgagee elects to permit the use of Awards for rebuilding or restoration of the Mortgaged Premises, the Mortgaged Premises shall be so rebuilt or restored in accordance with the restoration conditions set forth in Section 2 hereof and in accordance with plans and specifications therefor submitted to and approved by Mortgagee and applicable laws, so as to be as

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similar, as is reasonably possible, to the condition which existed prior to condemnation. In the event the Awards are insufficient to pay for all costs of rebuilding or restoration, Mortgagor shall deposit with Mortgagee an amount equal to such excess costs prior to any disbursement.

7. To further secure payment of the Note, all other indebtedness secured hereby and performance of all of the terms, covenants, conditions and agreements contained herein, Mortgagor hereby sells, assigns and transfers to Mortgagee all of its right, title and interest in and to all Leases and rentals, issues, proceeds and profits now due and which may hereafter become due pursuant thereto, it being the intention hereby to establish an absolute transfer and assignment thereof to Mortgagee. Mortgagor hereby irrevocably appoints Mortgagee its agent, in its name and stead (with or without taking possession of the Mortgaged Premises), to rent, lease or let all or any part of the Mortgaged Premises to any party or parties, at such rental and upon such terms as Mortgagee shall, in its discretion, determine and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter and all presently due or which may hereafter become due pursuant to each and every Lease or any other tenancy existing or which hereafter exists on the Mortgaged Premises, with the same rights and powers and subject to the same rights and powers as Mortgagor would have. If no Event of Default under this Mortgage has occurred, Mortgagor shall have the right to collect all of the rents arising from Leases or renewals thereof. Upon an occurrence of an Event of Default, Mortgagee, at any time or times thereafter, may notify any and all of the tenants of the Leases that the Leases have been assigned to Mortgagee and Mortgagee may direct said tenants thereafter to make all rentals and payments due from tenants under the Leases directly to Mortgagee and Mortgagee shall have the right to enforce the terms of the Leases and obtain payment of and collect the rents, by legal proceedings or otherwise in the name of the Mortgagor. Mortgagor will at all times deliver to the Mortgagee duplicate originals or certified copies of all leases, agreements and documents relating to the Mortgaged Premises and shall permit access by the Mortgagee to its books and records, insurance policies and other papers for examination and making copies and extracts thereof. The Mortgagee, its agents and designees shall have the right to inspect the Mortgaged Premises at all reasonable times and access thereto shall be permitted for that purpose.

8. Prior to execution of this Mortgage, Mortgagor shall obtain and deliver to Mortgagee a commitment for an ALTA Loan Policy in the amount of \$2,900,000.00 issued by Chicago Title Insurance Company. All exceptions contained in the loan commitment must be approved by and acceptable to Mortgagee.

9. This Mortgage is given to and shall secure not only existing indebtedness, but also future advances, and this Mortgage secures all such advances, whether such advances are obligatory or to be made at the option of the Mortgagee, or otherwise, as are made

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within twenty (20) years from the date hereof, to the same extent as if future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all such indebtedness and future advances from the time this Mortgage is filed for record in the office of the Recorder of Deeds of the county where the Mortgaged Premises described herein are located. The total amount of indebtedness that may be so secured may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed Two Million Nine Hundred Thousand and no/100 (\$2,900,000.00) Dollars of principal, plus interest thereon, and any disbursements by Mortgagee made for the payment of taxes, special assessments or insurance on the Mortgaged Premises, or to protect the Mortgaged Premises or the lien of this Mortgage, with interest on such disbursements, and all costs of collection, including reasonable attorneys' fees.

10. It shall be an immediate Event of Default hereunder if, without the prior written consent of the Mortgagee, any of the following shall occur (an "Unpermitted Transfer"):

(a) if the Mortgagor shall create, effect, contract for, commit to or consent to or shall suffer or permit any mortgage (except this Mortgage), security interest or other encumbrance or alienation of the Mortgaged Premises or any part thereof, or interest therein; or

(b) if any shareholder of Mortgagor shall create, effect, contract for, commit to or consent to or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage (except this Mortgage), security interest or other encumbrance or alienation of any such shareholder's shares in Mortgagor.

Upon the occurrence of an Unpermitted Transfer, or at any time thereafter, Mortgagee, at its option, may accelerate the maturity of the Note and declare it to be due and payable forthwith, and may further exercise such other rights and remedies that it has hereunder, under any other loan documents, and applicable law.

11. This Mortgage shall constitute a security agreement between Mortgagor and Mortgagee with respect to that portion of the Mortgaged Premises constituting property or interests in property, whether real or personal, including any and all sums deposited by Mortgagor and held by Mortgagee which are subject to the priority and perfection provisions of the Illinois Uniform Commercial Code. Therefore, to secure payment of the Note and all other indebtedness and obligations of Mortgagor hereunder, Mortgagor hereby grants to Mortgagee a security interest in the Mortgaged Premises and in all such deposits and agrees that, upon an Event of Default, Mortgagee shall have all of the rights and remedies of a secured party under the Illinois Uniform Commercial Code.

12. Mortgagor shall not and will not apply for or avail itself of

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any appraisalment, valuation, stay, extension or exemption laws, or any so-called "moratorium laws" now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but does hereby waive the benefit of such laws. MORTGAGOR EXPRESSLY WAIVES ANY AND ALL RIGHTS OF REDEMPTION UNDER ANY JUDGMENT OR DECREE OF FORECLOSURE OF THIS MORTGAGE, ON ITS OWN BEHALF, ON BEHALF OF ALL PERSONS CLAIMING OR HAVING AN INTEREST (DIRECT OR INDIRECT) BY, THROUGH OR UNDER MORTGAGOR AND ON BEHALF OF EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN OR TITLE TO THE MORTGAGED PREMISES SUBSEQUENT TO THE DATE HEREOF, IT BEING THE INTENT OF MORTGAGOR HEREBY THAT ANY AND ALL SUCH RIGHTS OF REDEMPTION OF MORTGAGOR AND OF ALL OTHER PERSONS ARE AND SHALL BE DEEMED TO BE HEREBY WAIVED TO THE FULL EXTENT PERMITTED BY APPLICABLE LAWS.

13. The Mortgagor represents and warrants to Mortgagee that Mortgagor has not used Hazardous Substances (as defined hereinafter) on or affecting the Mortgaged Premises in any manner which violates federal, state or local laws, ordinances, statutes, rules, regulations or judgments governing the use, storage, treatment, handling, manufacture, transportation, or disposal of Hazardous Substances ("Environmental Laws"), and that, to the best of Mortgagor's knowledge, no prior owner of the Mortgaged Premises or any current or prior occupant has used Hazardous Substances on or affecting the Mortgaged Premises in any manner which violates Environmental Laws. The Mortgagor covenants and agrees that neither it nor any occupant shall use, introduce or maintain Hazardous Substances on the Mortgaged Premises in any manner unless done in strict compliance with all Environmental Laws.

The Mortgagor shall conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Substances on or affecting the Mortgaged Premises, whether caused by the Mortgagor or a third party, in accordance with the orders and directives of all federal, state, and local governmental authorities. Additionally, the Mortgagor shall defend, indemnify and hold harmless the Mortgagee, its employees, agents, officers and directors, from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature arising out of or related to (1) the presence, disposal, release or threatened release of any Hazardous Substances on, from or affecting the Mortgaged Premises or the soil, water, vegetation, buildings, personal property, persons or animals thereon, (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances, (3) any lawsuit brought or threatened, settlement reached or governmental order relating to such Hazardous Substances, (4) the cost of removal of all such Hazardous Substances from all or any portion(s) of the Mortgaged Premises, (5) taking necessary precautions to protect against the release of Hazardous Substances on or affecting the Mortgaged Premises, (6) complying with all Environmental Laws and/or (7) any violation of Environmental Laws or requirements of the Mortgagee,

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which are based upon or in any way related to such Hazardous Substances including, without limitation, attorney's and consultant's fees (said attorneys and consultants to be approved by Mortgagee), investigation and laboratory fees, environmental studies required by the Mortgagee (whether prior to foreclosure or otherwise), and court costs and litigation expenses.

The Mortgagor has never received any notice ("Environmental Complaint") of any violations of Environmental Laws [and, within five (5) days of receipt of any Environmental Complaint the Mortgagor shall give the Mortgagee a copy thereof], and to the best of the Mortgagor's knowledge, there have been no actions commenced or threatened by any party for noncompliance with any Environmental Laws.

In the event this Mortgage is foreclosed or the Mortgagor tenders a deed in lieu of foreclosure, the Mortgagor shall deliver the Mortgaged Premises to the Mortgagee free of any and all Hazardous Substances so that the condition of the Mortgaged Premises shall not be a violation of any Environmental Laws.

Upon ten (10) day's notice to the Mortgagor (except in an emergency), without limiting the Mortgagee's other rights under this Mortgage or elsewhere, the Mortgagee shall have the right, but not the obligation, to enter on the Mortgaged Premises or to take such other actions as it deems appropriate to clean up, remove, resolve or minimize the impact of any Hazardous Substances or Environmental Complaint upon the Mortgagee's receipt of any notice from any source asserting the existence of any Hazardous Substances or an Environmental Complaint pertaining to the Mortgaged Premises which, if true, could result in an order, suit or other action against the Mortgagor and/or any part of the Mortgaged Premises which, in the sole opinion of the Mortgagee, could jeopardize its security under this Mortgage or any related document. All reasonable costs and expenses incurred by the Mortgagee in the exercise of any such rights shall be secured by this Mortgage and shall be payable by the Mortgagor upon demand, with interest at the Default Rate.

The provisions of this Section 13 shall be in addition to any and all other obligations and liabilities the Mortgagor may have to the Mortgagee at common law or pursuant to any other loan document or instrument evidencing, securing or relating to the Note, and, notwithstanding anything contained herein to the contrary, shall survive (i) the repayment of all sums due under the Note and all other indebtedness secured hereby, (ii) the satisfaction of all of the Mortgagor's other obligations hereunder and under all such other loan documents and instruments, (iii) the discharge of this Mortgage or any such other loan documents and instruments, and (iv) the foreclosure of this Mortgage or acceptance of a deed in lieu thereof.

"Hazardous Substances" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous

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wastes, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (42 USC Section 1301, et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 USC Sections 6901, et seq.) and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local governmental law, ordinance, rule, or regulation.

This Mortgage shall secure, in addition to all other indebtedness and obligations herein recited, any loss, liability, penalty, damage, expense, or judgment including reasonable attorneys' fees incurred by Mortgagee by reason of any actual or alleged violation of Environmental Laws with respect to the Mortgaged Premises, or any governmental or judicial claim, order, lien, or judgment with respect to the repair, cleanup or detoxification of any Hazardous Substances at or with respect to the Mortgaged Premises or any adjoining parcels, and the preparation and implementation of any closure, remedial or other required plans (all of the foregoing collectively called "Environmental Costs").

14. Any one or more of the following shall constitute an event of default ("Event of Default") hereunder: (a) Borrowers shall default in the payment, when due (whether by lapse of time, acceleration or otherwise) of the principal of or interest on the Note or any other sum payable thereunder or under any other instrument or document securing the Note or relating thereto, or Borrowers shall default in the observance or compliance with any other covenant, warranty, term or provision of the Note or any instrument or document securing the Note or relating thereto; or (b) Mortgagor shall default in the payment, when due, of any indebtedness hereby secured (other than the indebtedness evidenced by the Note); or (c) Mortgagor shall default in the observance or compliance with any other covenant, warranty, term or provision of this Mortgage or of any other instrument or document securing the Note or relating thereto; or (d) any representation or warranty made by Mortgagor herein, or by Borrowers in the Note or in any other instrument or document securing the Note or relating thereto or in any statement or certificate furnished by them pursuant hereto or thereto proves to be untrue or misleading in any material respect as of the date of issuance or making thereof; or (e) the Mortgaged Premises or any part thereof, shall be sold, transferred or conveyed, except for sales of obsolete, worn out or unusable fixtures or personal property which are concurrently replaced with similar fixtures or personal property at least equal in quality and condition to those sold and owned by Mortgagor free of any lien, charge or encumbrance other than the lien hereof; or (f) any indebtedness secured by a lien or charge on the Mortgaged Premises or any part thereof is not paid when due or proceedings are commenced to foreclose or otherwise realize upon any such lien or charge or to have a receiver appointed for the property subject thereto or to place the holder of such indebtedness or its representative in possession thereof; or (g) Mortgagor or any Borrower or any guarantor of the

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Note (hereafter, a "Guarantor") becomes insolvent or bankrupt or admits in writing its, his or her inability to pay its, his or her debts as they mature or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for the major part of its, his or her property or such a trustee, custodian or receiver is appointed for Mortgagor or any Borrower or any Guarantor or for the major part of its, his or her properties and is not discharged within thirty (30) days after such appointment, or bankruptcy, reorganization, arrangement, insolvency, readjustment, liquidation, dissolution or other proceedings for relief under any present or future bankruptcy laws or laws or other statute, law or regulation for the relief of debtors are instituted by or against Mortgagor or any Borrower or any Guarantor, and if instituted against such party, are consented to or acquiesced in or are not dismissed within thirty (30) days after such institution, or Mortgagor or any Borrower or any Guarantor takes any action in contemplation of or furtherance of any of the foregoing; or (h) there shall be any execution, attachment or levy on the Mortgaged Premises not stayed or released within thirty (30) days; or (i) any financial or other information submitted by Mortgagor or any Borrower or any Guarantor proves untrue in any material respect; or (j) the Mortgaged Premises are abandoned; or (k) the Mortgagor shall fail or refuse to pay Environmental Costs as herein defined; or (l) any Hazardous Substances shall be installed, used, generated, manufactured, produced, stored, released, discharged or disposed of on, under or about the Mortgaged Premises, or transported to or from the Mortgaged Premises, in violation of any Environmental Laws; or (m) the Mortgagor shall fail or refuse voluntarily to clean up and to bear the cost of cleaning up all Hazardous Substances on, under or about the Mortgaged Premises within sixty (60) days after their discovery, or after receipt from any environmental agency or any other governmental unit or authority that a violation of any Environmental Laws has occurred; or (n) Mortgagor shall voluntarily or involuntarily dissolve; or (o) an event of default shall occur under any security agreement or other document or instrument securing the Note or relating thereto; or (p) any Borrower or Guarantor shall die or become incompetent, or any Guarantor shall terminate, revoke, repudiate or disavow any of his obligations under his guaranty agreement executed in connection with the loan secured hereby.

15. When any Event of Default has occurred and is continuing (regardless of the pendency of any proceeding which has or might have the effect of preventing Mortgagor from complying with the terms of this instrument and of the adequacy of the security for the Note) and in addition to such other rights as may be available under applicable law, but subject at all times to any mandatory legal requirements: (a) Mortgagee may, by written notice to Mortgagor, declare the Note and all unpaid indebtedness of Mortgagor hereby secured, including any interest then accrued thereon, to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without other notice or demand of any kind; (b) Mortgagee shall, with respect to any part

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of the Mortgaged Premises constituting property of the type in respect of which realization on a lien or security interest granted therein is governed by the Illinois Uniform Commercial Code, have all the rights, options and remedies of a secured party under the Illinois Uniform Commercial Code; (c) Mortgagee may proceed to protect and enforce the rights of Mortgagee hereunder (i) by any action at law, suit in equity or other appropriate proceedings, whether for the specific performance of any agreement contained herein, or for an injunction against the violation of any of the terms hereof, or in aid of the exercise of any power granted hereby or by law; or (ii) by the foreclosure of this Mortgage in any manner permitted by law; (d) Mortgagee shall, as a matter of right, without giving bond to Mortgagor or anyone claiming by, under or through it, and without regard to the solvency or insolvency of Mortgagor or the then value of the Mortgaged Premises, be entitled to have a receiver appointed of all or any part of the Mortgaged Premises and rents, issues and profits thereof, with such power as the court making such appointment shall confer, and Mortgagor hereby consents to the appointment of such receiver and shall not oppose any such appointment. Any such receiver may, to the extent permitted under applicable law, without notice, enter upon and take possession of the Mortgaged Premises or any part thereof by force, summary proceedings, ejectment or otherwise, and may remove Mortgagor or other persons and any and all property therefrom, and may hold, operate and manage the same and receive all earnings, income, rents, issues and proceeds accruing with respect thereto or any part thereof, whether during the pendency of any foreclosure or until any right of redemption shall expire or otherwise; (e) Mortgagee may enter and take possession of the Mortgaged Premises or any part thereof and manage, operate, insure, repair and improve the same and take any action which, in Mortgagee's judgment, is necessary or proper to conserve the value of the Mortgaged Premises. Mortgagee may also take possession of, and for these purposes use, any and all personal property contained on or about the Mortgaged Premises and used in the operation, rental or leasing thereof or any part thereof. Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues and profits of the Mortgaged Premises or any part thereof and for such purpose Mortgagor does hereby irrevocably constitute and appoint Mortgagee its true and lawful attorney-in-fact for it and in its name, place and stead to receive, collect and receipt for all of the foregoing, Mortgagor irrevocably acknowledging that any payment made to Mortgagee hereunder shall be a good receipt and acquittance against Mortgagor to the extent so made) and to apply same to the reduction of the indebtedness hereby secured. The right to enter and take possession of the Mortgaged Premises and use any personal property thereon, to manage, operate and conserve the same, and to collect the rents, issues and profits thereof, shall be in addition to all other rights or remedies of Mortgagee hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The expense (including any receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be so much additional indebtedness hereby secured which Mortgagor promises to pay upon

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demand together with interest at the Default Rate. Mortgagee shall not be liable to account to Mortgagor for any action taken pursuant hereto other than to account for any rents actually received by Mortgagee. Without taking possession of the Mortgaged Premises, Mortgagee may, in the event the Mortgaged Premises becomes vacant or is abandoned, take such steps as it deems appropriate to protect and secure the Mortgaged Premises (including hiring watchmen therefor) and all costs incurred in so doing shall constitute so much additional indebtedness hereby secured payable upon demand with interest thereon at the Default Rate.

16. All rights and remedies set forth in this Mortgage are cumulative and the holder of the Note and of every other obligation secured hereby may recover judgment herein, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security of any right or remedy afforded hereby.

17. Unless expressly provided in this Mortgage to the contrary, no consent or waiver, express or implied, by Mortgagee to or of any breach or default by Mortgagor in the performance by Mortgagor of any obligations contained herein shall be deemed a consent to or waiver by Mortgagee of such performance in any other instance or any other obligation hereunder. The failure of Mortgagee to exercise either or both of its remedies to accelerate the maturity of the indebtedness secured hereby and/or to foreclose the lien hereof following any Event of Default hereunder, or to exercise any other remedy granted to Mortgagee hereunder or under applicable law in any one or more instances, or the acceptance by Mortgagee of partial payments of such indebtedness shall neither constitute a waiver of any such Event of Default or of Mortgagee's remedies hereunder or under applicable law nor establish, extend or affect any grace period for payments due under the Note, but such remedies shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Mortgagee, may at Mortgagee's option be rescinded by written acknowledgment to that effect by Mortgagee and shall not affect Mortgagee's right to accelerate maturity upon or after any future Event of Default.

18. No action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note.

19. Mortgagor represents and agrees that the proceeds of the Note will be used for business purposes and that the Note and this Mortgage are exempt from limitations upon lawful interest, pursuant to the terms of Section 205/4 of Chapter 815 of the Illinois Compiled Statutes.

20. If by the laws of the United States of America, or of any state having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the issuance of the Note or this Mortgage, the Mortgagor shall pay such tax in the manner required

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by such law.

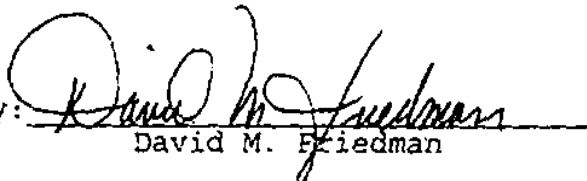
21. All notices and other communications provided for hereunder shall be given in writing and shall be addressed to the party intended to receive the same at its address hereinbefore set forth (or to such other and different address as Mortgagor or Mortgagee may designate pursuant to a written notice sent in accordance with the provisions hereof), and will be deemed given or furnished (i) when delivered at such address to such party (or to an officer of such party) or (ii) when received if deposited in the United States mail as first-class registered or certified mail, return receipt requested, postage prepaid, or (iii) when received if deposited at the office of a nationally-recognized overnight delivery service; or (iv) when received if sent by facsimile transmission.

22. This Mortgage shall be construed in accordance with and governed pursuant to the laws of the State of Illinois. Whenever possible, each provision of this Mortgage shall be interpreted in such a manner as to be effective and valid pursuant to applicable law; provided, however, that if any part hereof shall be prohibited by or invalid thereunder, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remaining provisions of this Mortgage.

23. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Mortgage contained by or on behalf of Mortgagor, or by or on behalf of Mortgagee, shall bind and inure to the benefit of the respective heirs, executors, administrators, successors, vendees and assigns of such parties, whether so expressed or not. In addition, all covenants, promises and agreements of Mortgagor herein shall be binding upon any other parties claiming any interest in the Mortgaged Premises under Mortgagor. If more than one party signs this instrument as Mortgagor, then the term "Mortgagor" as used herein shall mean all of such parties, jointly and severally. In addition, the term "Mortgagor" shall include all persons claiming under or through Mortgagor and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage.

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

WILLIAMSBURG OFFICE CORPORATION

By: 
David M. Friedman

Title: President

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MORTGAGOR'S ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, BARBARA J. KETTER, a Notary Public in and for the said County, in the State aforesaid, DO CERTIFY that David M. Friedman and Ronna Friedman, the President and Secretary, respectively, of WILLIAMSBURG OFFICE CORPORATION, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such officers, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 20th day of December, 1995.

Barbara J. Ketter
Notary Public

My Commission expires:

10/6/97



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EXHIBIT A

Legal Description

PARCEL 1:

THAT PART OF THE SOUTH EAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 21 AND A PART OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 22, BOTH IN TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTH LINE OF THE SOUTH EAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 21, BEING 184.08 FEET WESTERLY OF THE EAST LINE OF THE SOUTH EAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 21; THENCE SOUTHEASTERLY ALONG THE CENTER LINE OF RAND ROAD ON A CURVE WHOSE RADIUS IS 5064.00 FEET TO A CHORD DISTANCE OF 475.32 FEET TO A POINT OF TANGENCY; THENCE SOUTHWESTERLY RADIAL TO THE LAST DESCRIBED CURVE AND AT RIGHT ANGLES TO SAID CURVES TANGENT A DISTANCE OF 250.29 FEET; THENCE NORTHWESTERLY ALONG A LINE WHICH FORMS A COUNTERCLOCKWISE ANGLE OF 67 DEGREES, 17 MINUTES, 23 SECONDS WITH THE LAST DESCRIBED LINE A DISTANCE OF 267.31 FEET; THENCE SOUTHWESTERLY AT RIGHT ANGLES TO THE LAST DESCRIBED LINE A DISTANCE OF 220.82 FEET; THENCE NORTHWESTERLY ALONG A LINE WHICH FORMS A COUNTERCLOCKWISE ANGLE OF 67 DEGREES, 28 MINUTES, 40 SECONDS WITH THE LAST DESCRIBED LINE, A DISTANCE OF 467.07 FEET TO THE NORTH LINE OF THE SOUTH EAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 21; THENCE EASTERLY ALONG SAID NORTH LINE A DISTANCE OF 362.92 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO KNOWN AS

LOT 1 IN WILLIAMSBURG OFFICE COMPLEX, A RESUBDIVISION OF PART OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 21 AND A PART OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 21 AND A PART OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 22, BOTH IN TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 12, 1975 AS DOCUMENT 23185011, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

EASEMENT FOR INGRESS AND EGRESS, PARKING AND SURFACE AND SUBSURFACE DRAINAGE OVER AND UPON PORTIONS OF THE LAND AND OTHER PROPERTY AS CREATED BY DECLARATION AND GRANT OF EASEMENT RECORDED MARCH 31, 1986 AS DOCUMENT 86121687, IN COOK COUNTY, ILLINOIS.

P.I.N. 09-21-206-013 AND 09-21-206-014

STREET ADDRESS: 1550 NORTHWEST HIGHWAY, PARK RIDGE, ILLINOIS.

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