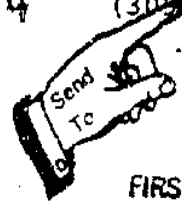


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PREPARED BY & RETURN TO:  
WILLIAM J. SNYDER  
P.O. BOX 3700  
ROCK ISLAND, IL 61204-3700  
(309) 786-8497

96247814



. DEPT-Q1 RECORDING 581.50  
. T#0011 TRAN 1013 04/02/96 09:50:00  
. #8491 & RV \*-96-247814  
. COOK COUNTY RECORDER

FIRST AMERICAN TITLE INSURANCE #

CC 90890 182 IL

## LAND TRUSTEE'S MORTGAGE AND SECURITY AGREEMENT

THIS LAND TRUSTEE'S MORTGAGE AND SECURITY AGREEMENT, (hereinafter referred to as the "Mortgage") executed by the hereafter named mortgagor on the date shown by the notarial certificate hereon, but delivered, effective and dated this 1st day of April, 1996, by and between AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST NO. 59135-04, DATED SEPTEMBER 1, 1983, whose address is 33 N. CA SAGE STREET CHICAGO, ILLINOIS (hereinafter called "Mortgagor"), and MODERN WOODMEN OF AMERICA, an Illinois corporation, whose address is 1701 - 1st Avenue, Rock Island, Illinois 61201 (hereinafter called "Mortgagee");

81.50  
D

### W I T N E S S E T H:

WHEREAS, Mortgagor is justly indebted to Mortgagee in the principal sum of THREE MILLION SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$3,750,000.00) as evidenced by one certain Land Trustee's Mortgage Note of even date herewith executed by Mortgagor and made payable to the order of and delivered to Mortgagee ("Note"), whereby Mortgagor promises to pay the said principal sum, together with interest thereon from the date thereof and at the rate set forth therein, in installments as set forth therein at the office of Mortgagee aforesaid or at such other place as may be designated in writing by the legal holder thereof, until the entire principal and accrued interest have been paid in accordance with the terms and provisions of the Note, the Note by this reference thereto being hereby incorporated herein.

96247814

NOW, THEREFORE, in order to secure the payment of the said principal sum and interest under the Note and any other sums which now or may be owing Mortgagee by Mortgagor, whether evidenced by the Note or any other instrument and the performance of the covenants and agreements herein contained, Mortgagor does by these presents GRANT, BARGAIN, SELL, ASSIGN, CONVEY, WARRANT AND MORTGAGE unto Mortgagee, its successors and assigns forever, the real estate, and all of Mortgagor's right, title and interest therein,

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situated in the City of Schaumburg, Cook County, Illinois, particularly described in Exhibit "A" attached hereto (sometimes herein referred to as the "Land"), together with:

A. All right, title and interest of Mortgagor, including any afteracquired title or reversion, in and to the beds of the ways, streets, avenues, and alleys adjoining the Land;

B. All and singular the tenements, hereditaments, easements, appurtenances, passages, waters, water courses, riparian rights, other rights, liberties, and privileges thereof or in any way now or hereafter appertaining, including homestead and any acquired title, franchise, or license and the reversion and reversions and remainder and remainders thereof;

C. All rents, issues, proceeds, profits and endowment fees accruing and to accrue from the Land;

D. All buildings and improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration, and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Land immediately upon the delivery thereof to the Land; and all fixtures now or hereafter owned by Mortgagor and attached to or contained in and used in connection with the Land including, but not limited to, all machinery, motors, elevators, fittings, radiators, awnings, shades, screens and all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning, and sprinkler equipment and fixtures and appurtenances thereto; and all items of furniture, furnishings, equipment, and personal property now or hereafter owned by Mortgagor and used or useful in the operation of the said Land; and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said building or buildings in any manner; it being mutually agreed, intended, and declared that all the aforesaid property owned by said Mortgagor and placed by it on the Land or used with the operation or maintenance of the Land shall, so far as permitted by law, be deemed to form a part and parcel of the Land and for the purpose of this Mortgage to be real estate, and covered by this Mortgage; and as to any of the property aforesaid which does not so form a part and parcel of the Land or does not constitute a "fixture" (as said term is defined in the Uniform Commercial Code), this Mortgage is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Mortgagee as Secured Party (as said term is defined in the Uniform Commercial Code); but nothing herein contained shall prevent Mortgagee from receiving from Mortgagor a separate security agreement if it elects;

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E. Any and all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Land as a result of (1) the exercise of the right of eminent domain, or (2) the alteration of the grade of any street, or (3) any other injury to or decrease in the value of the Land or the easements. The foregoing sentence to the contrary notwithstanding, Mortgagee shall be entitled to retain only such portion of said awards or payments as is equal to all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by Mortgagee, and of the reasonable counsel fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award or payment; and

F. All right, title and interest of Mortgagor in and to any easements appurtenant to the Land or servicing the same, which easements shall not be modified, changed, or amended in any respects without the express written consent of Mortgagee: (all of the foregoing, together with the Land, hereinafter collectively referred to as the "Premises").

TO HAVE AND TO HOLD the same unto Mortgagee and its successors and assigns forever, for the purpose and uses herein set forth.

Provided, however, that if Mortgagor shall pay the principal and all interest as provided in the Note, and shall pay all other sums herein provided for, or secured hereby, and shall well and truly keep and perform all of the covenants herein contained, then this Mortgage shall be released at the cost of Mortgagor, otherwise to remain in full force and effect.

To protect the security of the Mortgage, Mortgagor agrees as follows:

1. Payment of Principal and Interest. Mortgagor agrees to pay promptly when due the principal and interest on the indebtedness evidenced by the Note at the times and in the manner herein and in the Note provided.

2. Other Payments. Mortgagor agrees, if required by Mortgagee, to deposit with Mortgagee, or a depository designated by Mortgagee, in addition to the monthly installments of principal and interest due under the terms of the Note, and concurrently therewith, monthly until the principal indebtedness evidenced by the Note is paid, the following:

A. A sum equal to all real estate taxes and assessments ("taxes") next due on the Premises (all as estimated by Mortgagee), divided by the number of months to elapse before one (1) month prior to the date when such taxes will become due and payable;

B. A sum equal to an installment of the premium or premiums that will become due and payable to renew the insurance as

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required in Paragraph 5 hereof. Each installment shall be in an amount which the payment of approximately equal installments will result in the accumulation of a sum of money sufficient to pay renewal premiums upon such policies of insurance at least one (1) month prior to the expiration or renewal date of the policy or policies to be renewed.

All such payments described in this Paragraph 2 shall be held by Mortgagee or depository in trust designated by Mortgagee without accruing or without any obligation arising for the payment of interest thereon.

If the funds so deposited are insufficient to pay, when due, all taxes and premiums as aforesaid, Mortgagor shall, within ten (10) days after receipt of demand therefor from Mortgagee or its agent, deposit such additional funds as may be necessary to pay such taxes and premiums. If the funds so deposited exceed the amounts required to pay such items, the excess shall be applied on a subsequent deposit or deposits.

Neither Mortgagee nor said depository shall be liable for any failure to make the payment of insurance premiums and/or taxes, unless Mortgagor, while not in default hereunder, shall have requested said Mortgagee or depository in writing to make application of such deposits to the payment of the particular insurance premium or taxes, accompanied by the bills for such insurance premiums and/or taxes. Provided, however, Mortgagee may, at its option, make or cause the depository to make any such application of the aforescribed deposits without any request or direction to do same by Mortgagor.

3. Mortgagor's Warranty. At the time of the execution and delivery of this Mortgage, Mortgagor is well and truly seized of the Premises in fee simple, free of all liens and encumbrances whatsoever, other than this Mortgage and will forever warrant and defend the same against any and all claims whatever, and the lien created hereby is and will be kept a first lien upon said Premises and every part thereof.

4. Taxes. Mortgagor agrees to immediately pay, when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer service charges, and other charges which may be levied against the Premises when first due and owing, and to furnish to Mortgagee duplicate receipts therefor within thirty (30) days after payment thereof. Provided, however, that if Mortgagee's waiver of the monthly deposits required by Paragraph 2.A hereof is not then in effect, Mortgagee, at its option, either may make such deposits available to Mortgagor for the payments required under this Paragraph 4, or may make such payments on behalf of Mortgagor. Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any such taxes or assessments provided (a) that such contest shall have

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the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of said Premises or any part thereof, or any interest therein, to satisfy the same; (b) Mortgagor has notified Mortgagee in writing of the intention of Mortgagor to contest the same before any tax or assessment has been increased by any interest, penalties, or costs; and (c) that Mortgagor shall have deposited with Mortgagee at such place as Mortgagee may from time to time in writing appoint, a sum of money or other security acceptable to Mortgagee which (when added to monies or other security, if any, deposited with Mortgagee pursuant to Paragraph 2 hereof) shall be sufficient in the judgment of Mortgagee to pay in full such contested tax and assessment and all penalties and interest that might become due thereon, and shall keep on deposit an amount so sufficient at all times, increasing such amount to cover additional penalties and interest whenever, in the judgment of Mortgagee, such increase is advisable. In case Mortgagor shall fail to prosecute such contest with reasonable diligence or shall fail to maintain sufficient funds on deposit as hereinabove provided, Mortgagee may, at its option, apply the monies and/or liquidate the securities deposited with Mortgagee, in payment of, or on account of, such taxes and assessments, or any portion thereof then unpaid, including the payment of all penalties and interest thereon. If the amount of the monies and/or security so deposited shall be insufficient for the payment in full of such taxes and assessments, together with all penalties and interest thereon, Mortgagor shall forthwith upon demand either (a) deposit with Mortgagee a sum which, when added to the funds then on deposit, shall be sufficient to make such payment in full, or (b) in the case Mortgagee shall have applied funds on deposit on account of such taxes and Assessments, restore said deposit to an amount satisfactory to Mortgagee. Provided Mortgagor is not then in default, Mortgagee shall, upon the final disposition of such contest and upon Mortgagor's delivery to Mortgagee of an official bill for such taxes, apply the monies so deposited in full payment of such taxes and assessments or that part thereof then unpaid, together with all penalties and interest thereon when so requested in writing by Mortgagee.

## 5. Insurance.

A. Hazard. Mortgagor agrees to keep the improvements now existing or hereafter erected on the Premises insured under a replacement cost form of insurance policy against loss or damage resulting from fire, windstorm, and other hazards as may be required by Mortgagee, and to pay promptly, when due, any premiums on such insurance. Provided, however, that if Mortgagee's waiver of the monthly deposits required by Paragraph 2.B hereof is not then in effect, Mortgagee, at its option, either may make such deposits available to Mortgagor for the payments required under this Paragraph 5, or may make such payments on behalf of Mortgagor. All insurance shall be in amounts and of form and content as approved by Mortgagee and shall be carried in companies approved by

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Mortgagee and the policies and renewals (or certificates evidencing same), marked "Paid," shall be delivered to Mortgagee at least thirty (30) days before the expiration of the old policies and shall have attached thereto standard noncontributing mortgage clause(s) in favor of and entitling Mortgagee to collect any and all of the proceeds payable under all such insurance, as well as standard waiver of subrogation endorsement. Mortgagor shall not carry separate insurance, concurrent in kind or form and contributing in the event of loss, with any insurance required hereunder. In the event of a change in ownership or of occupancy of the Premises (if approved in writing by Mortgagee), immediate notice thereof by mail shall be delivered to all insurers. In the event of any casualty loss, Mortgagor will give immediate notice by mail to Mortgagee. Mortgagor hereby permits Mortgagee, at Mortgagee's option, to adjust, collect, and compromise any losses under any of the aforesaid insurance. After collection of any said proceeds, and after deducting any costs of collection, Mortgagee, in the event any lease of the Premises requires the rebuilding or restoration of the improvements on the Premises, and the Note or Mortgage are not then in default, and satisfactory evidence of the estimated cost of completion of the rebuilding or restoration is given to Mortgagee, and Mortgagor has deposited with Mortgagee funds sufficient in addition to the proceeds of insurance to complete the proposed rebuilding or restoration, shall use or apply the proceeds to repairing, rebuilding and restoring the improvements, in which event Mortgagee shall not be obligated 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. In the event after use or application of the proceeds to repairing, rebuilding, and restoring the improvements there is a surplus remaining, then, at Mortgagee's option, such surplus may either be applied as a credit upon any portion of the indebtedness secured hereby, or may be delivered to Mortgagor. In the event either the Note or Mortgage is then in default, or in the event that any lease of the Premises does not require the rebuilding or restoration by Mortgagor of the improvements on the Premises, or in the event Mortgagor does not deposit with Mortgagee funds sufficient in addition to the proceeds of insurance to complete the proposed rebuilding or restoration, Mortgagee may, at its option, apply all or any part of the proceeds as a credit upon any portion of the indebtedness secured hereby, subject to the applicable provisions of the Note covering prepayment, or may use or apply the proceeds to repairing and restoring the improvements, in which event Mortgagee shall not be obligated 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.

In the event either any lease of the Premises requires the rebuilding or restoration of the improvements, and the Note or Mortgage are not then in default, or Mortgagee elects to apply the proceeds to rebuilding or restoring the improvements, such proceeds

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shall be made available, 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, and (if the estimated cost of the work exceeds ten percent (10%) of the original principal amount of the indebtedness secured hereby) with all plans and specifications for such rebuilding or restoration as Mortgagee may reasonably require and approve. 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. At Mortgagee's option, and at Mortgagor's expense, the proceeds may be disbursed through the title insurance company insuring this Mortgage to insure full continued mechanic's lien protection.

In the event of foreclosure of this Mortgage, or other transfer of title to the 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, and Mortgagor hereby appoints Mortgagee its attorney-in-fact, in Mortgagor's name, to assign and transfer all such policies and proceeds to such purchaser or grantee. 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.

B. Liability. Mortgagor agrees to carry and maintain Comprehensive Lessors Risk Public Liability Insurance as may be required from time to time by Mortgagee in forms, amounts, and with companies satisfactory to Mortgagee. It is understood and agreed that the amounts of coverage shall not be less than ONE MILLION DOLLARS (\$1,000,000.00) single limit and that the policy shall name Mortgagee as an insured party thereunder. Certificates of such insurance, premiums prepaid, shall be deposited with Mortgagee and shall contain provision for thirty (30) days' notice to Mortgagee prior to any cancellation thereof.

C. Fixtures and Equipment Owned by Mortgagor. Mortgagor agrees to carry and maintain in forms, amounts and with companies satisfactory to Mortgagee insurance for the full insurable value of all fixtures and equipment owned by Mortgagor to be affixed to, used upon, or contained within the Premises. Certificates of such insurance, premiums prepaid, shall be deposited with Mortgagee, shall name Mortgagee as a loss/payee as its interest may appear, and shall contain provision for thirty

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(30) days' written notice to Mortgagee prior to any cancellation thereof.

D. Rental Income Protection Insurance. If, at any time there is a lease of the Premises which allows the tenant thereunder to abate rental, in whole or in part, in the event of casualty or destruction, Mortgagor agrees to carry and maintain in forms, amounts and with companies satisfactory to Mortgagee, rental income protection insurance to cover a loss of six (6) months rental income from the Premises, with proceeds payable one-sixth (1/6) monthly. Certificates of such insurance, premiums prepaid, shall be deposited with Mortgagee showing Mortgagor and Mortgagee as loss/payees as their interests may appear and shall contain provisions for thirty (30) days written notice to Mortgagee prior to any cancellation thereof.

6. Preservation and Restoration of Premises and Compliance with Governmental Regulations. No building or other improvement on the Premises, including without limitation, on-site paved parking and landscaping areas, shall be structurally altered, removed, or demolished nor shall any fixtures or appliances owned by Mortgagor and located on, in or about said buildings or improvements be severed, removed, sold or mortgaged, without the prior written consent of Mortgagee, and in the event of the demolition or destruction in whole or in part of the fixtures, chattels, or articles of personal property covered hereby or by any separate security agreement given in conjunction herewith, the same shall be replaced promptly by similar fixtures, chattels, and articles of personal property at least equal in quality and condition to those replaced, free from any security interest in or encumbrances thereon or reservation of title thereto. Mortgagor shall promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed and shall cause to be promptly repaired, restored or rebuilt any improvements, including without limitation on-site paved parking and landscaping areas, which may become damaged or destroyed. The buildings and improvements shall be so restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. In the event any lease of the premises does not require the restoration of such buildings and allows the Tenant thereunder to terminate its obligations thereunder, Mortgagor may elect not to rebuild or restore such buildings, in which event the principal balance and accrued interest secured hereby shall be paid in its entirety.

Mortgagor further agrees to permit, commit, or suffer no waste, impairment, or deterioration of the Premises or any part or improvement thereof; to keep and maintain the Premises and every part thereof in good repair and condition; to effect such repairs as Mortgagee may reasonably require and, from time to time, to make all needful and proper replacements and additions thereto so that said buildings, fixtures, machinery and appurtenances will, at all

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times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed; to comply with all statutes, orders, requirements, or decrees relating to said Premises by any federal, state or municipal authority; and to observe and comply with all restrictions imposed in any recorded instrument affecting the real estate and with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including, but not limited to, zoning variances, special exceptions, and nonconforming uses), privileges, franchises, certifications and concessions which are applicable to the Premises or which have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of said Premises.

## 7. Restriction on Transfer and Additional Financing.

A. The financial stability, managerial and operational ability, creditworthiness and business reputation of Mortgagor and of those persons having a direct or beneficial interest in Mortgagor, as well as the equity of Mortgagor in the Premises and the projected cash flow from the Premises to pay operating costs and debt service are a substantial and material consideration to Mortgagee in their agreement to make the loan to Mortgagor which is evidenced by the Note and secured by this Mortgage. Therefore, in order to induce Mortgagee to make the loan, Mortgagor agrees that without the prior written consent of Mortgagee, which consent may be withheld for any or no reason Mortgagor shall not:

(i) Voluntarily or involuntarily sell, exchange, convey, transfer, contract to sell or lease with option to purchase (collectively a "Transfer") all or any part of or interest in the Premises or any other collateral covered by the loan documents; or

(ii) Voluntarily or involuntarily further encumber the Premises by any mortgage, deed of trust, assignment of rents, or security interest, or otherwise subject all or any part of the Premises to any lien or charge, contractual, statutory, by operation of law, or otherwise (collectively an "Encumbrance"); or

(iii) If Mortgagor or any successor or assign of Mortgagor is a corporation, Transfer 50% or more of the issued and outstanding shares of any class of shares of Mortgagor or issue new shares equal to 50% or more of the issued and outstanding shares of any class of shares of Mortgagor; or

(iv) If Mortgagor or any successor or assign of Mortgagor is a general or limited partnership, make any Transfer of a controlling interest or the majority interest of the general partnership; or

(v) Transfer or change the management of the Premises to any person or entity other than Mortgagor; or

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(vi) Permit a Transfer of any or all of a Note Guarantor's ownership interest in Mortgagor, if any; or

(vii) Permit the Transfer of the controlling interest of Mortgagor.

B. In the event that Mortgagor or any successor in interest of Mortgagor shall breach the covenants contained in Paragraph 7A, all indebtedness secured by this Mortgage, irrespective of the maturity date thereof, shall, at the sole option of the Mortgagee, become immediately due and payable without demand or notice.

C. If Mortgagee consents to any Transfer or Encumbrance referred to in Paragraph 7A, Mortgagor shall pay to Mortgagee all costs and attorneys' fees and other expenses incurred by Mortgagee in reviewing, negotiating, preparing and recording documents in connection with any such Transfer or Encumbrance. Consent to any one such Transfer or Encumbrance shall not be deemed to be a waiver of the right to require consent to future or successive Transfers or Encumbrances. If consent should be given, any such Transfer or Encumbrance shall be subject to this Mortgage, and any transferee shall assume all obligations under the Note, this Mortgage and other loan documents and agree to be bound by all provisions contained herein and therein. Such assumption shall not, however, release Mortgagor or any Guarantor, for liability under the Note, this Mortgage, or any other of the loan documents. This covenant shall run with the Premises and shall remain in full force and effect until the indebtedness secured hereby is satisfied in full, and Mortgagee may, without notice to Mortgagor, deal with such transferees with reference to the indebtedness or other obligations secured hereby in the same manner as with Mortgagor, without in any way altering or discharging Mortgagor's liability hereunder or the indebtedness secured hereby or the liability of any Guarantor with respect thereto.

D. Notwithstanding the foregoing, transfers of the Premises to family members of Mortgagor or to entities owned by Mortgagor or family members of Mortgagor shall be allowed hereunder; provided, however, Mortgagor shall notify Mortgagee of any such transfer within ten (10) days after its occurrence.

8. Stamp Tax. If at any time the United States Government or any other federal, state or municipal governmental subdivision shall require Internal Revenue or other documentary stamps or tax hereon or on the Note secured hereby, or shall require payment of United States Interest Equalization Tax upon the indebtedness secured hereby, then the said indebtedness and the accrued interest thereon shall be and become due and payable at the election of Mortgagee thirty (30) days after the mailing of notice of such election to Mortgagor; provided, however, said election shall be unavailing and this Mortgage and the Note shall be and remain in

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effect, if Mortgagor lawfully may pay for such stamps or such tax including interest and penalties thereon to or on behalf of Mortgagee and Mortgagor does in fact pay, when due and payable, for all such stamps or such tax, as the case may be, including interest and penalties thereon. Notwithstanding the foregoing, it is understood and agreed that Mortgagor is not obligated to pay any portion of Mortgagee's federal or state income tax except any such stamp tax or interest equalization tax.

9. Effect of Change in Laws Regarding Taxation. In the event of the enactment, after this date, of any law of the state in which the Premises are located deducting from the value of the land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the property, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder thereof, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefor; provided, however, that if, in the opinion of counsel for Mortgagee, (a) it might be unlawful to require Mortgagor to make such payment, or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then, and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable within sixty (60) days from the giving of such notice. Notwithstanding the foregoing, it is understood and agreed that Mortgagor is not obligated to pay any portion of Mortgagee's federal or state income tax.

10. Mortgagee's Performance of Defaulted Acts. In case of default herein, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Mortgagee, and Mortgagee may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise, or settle any tax lien or other prior or junior lien or title or claim thereof, or redeem from any tax sale of forfeiture affecting the Premises or contest any tax or assessment. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorney's fees, any other monies advanced by Mortgagee to protect the Premises and the lien hereof and any costs and expenses advanced or incurred by Mortgagee in accordance with the terms of the loan documents, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable by Mortgagor to Mortgagee without notice and with interest thereon at the Default Interest Rate set forth in the Note. The aforesaid performance by Mortgagee of any act required of Mortgagor or the aforesaid making by Mortgagee of

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any payment required of Mortgagor shall not remove or waive, as between Mortgagor and Mortgagee, the corresponding default under the terms hereof, and Mortgagee shall continue to have the right to exercise any of the remedies created hereunder or otherwise provided by law. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor. Mortgagor agrees to indemnify Mortgagee and save it harmless from all loss, damage and expense, including reasonable attorney's fees, incurred in connection with any suit or proceeding in or to which Mortgagee may be made a party due to the existence of this Mortgage or to which suit or proceeding Mortgagee may become a party for the purpose of protecting the lien of this Mortgage.

11. Eminent Domain. Any and all awards heretofore or hereafter made or to be made to the present and all subsequent owners of the Premises, by any governmental or other lawful authority for taking, by condemnation or eminent domain, the whole or any part of the Premises or any improvement located thereon or any easement therein or appurtenant thereto (including any and all payments made in lieu of and/or in settlement of a claim or threat of condemnation or eminent domain and including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for payment thereof), are hereby assigned by Mortgagor to Mortgagee, which award Mortgagee is hereby authorized to collect and receive from the condemnation authorities, and Mortgagee is hereby authorized to give appropriate receipts and acquittances therefor, and Mortgagee shall use or apply the proceeds of such award or awards in the same manner as is set forth in Paragraphs 5.A. and 6 hereof with regard to insurance proceeds received subsequent to a fire or other casualty to the Premises. Mortgagor covenants and agrees that Mortgagor will give Mortgagee immediate notice of the actual or threatened commencement of any such proceedings under condemnation or eminent domain affecting all or any part of the said Premises or any easement therein or appurtenant thereto, including severance and consequential damage and change in grade of streets, and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor further covenants and agrees to make, execute, and deliver to Mortgagee, at any time or times upon request, free, clear, and discharged of any encumbrances of any kind whatsoever, any and all further assignments and/or instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter to be made to Mortgagor for any taking, either permanent or temporary, under any such proceeding.

12. Acknowledgement of Debt. Mortgagor agrees to furnish from time to time within fifteen (15) days after Mortgagee's request, a written statement, duly acknowledged, of the amount due

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upon this Mortgage and whether any alleged offsets or defenses exist against the indebtedness secured by this Mortgage.

13. Assignment of Rents. As additional security for payment of the principal and interest of said indebtedness according to the terms of said Note, and all other amounts payable by Mortgagor to Mortgagee under this Mortgage, and the performance of the covenants and conditions contained herein and in any other instrument securing said indebtedness, Mortgagor does absolutely and irrevocably hereby assign, mortgage and warrant to Mortgagee, its successors and assigns, all rents, income and profits of said Premises and all present and future leases and all present and future agreements for use and occupation of any portion of the Premises pertaining thereto (said leases and agreements hereinafter collectively referred to in the plural as the "leases" and in the singular as a "lease"), and all extensions and renewals thereof, and all guarantees of the tenants' obligations thereunder, together with the right in Mortgagee to take possession of said Premises and every part thereof, and to collect said rents and profits and to apply the same to Mortgagor's indebtedness under the Note and Mortgagee's expenses incurred in connection therewith, as hereinafter provided.

A. Mortgagor will not, without the prior written consent of Mortgagee, accept any prepaid rent under any lease for a period greater than the regularly recurring rental period stipulated in such lease.

B. Mortgagor shall perform all of the obligations of the lessor under all leases of the Premises in accordance with the terms and provisions thereof. Mortgagee shall have no obligation, responsibility or liability with respect to the Premises or the operation thereof or with respect to any obligation or liability of the lessor under any lease assigned hereby, and shall have no obligation to account for any security deposit unless the same has been actually deposited with Mortgagee, and Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless from any and all liability, loss or damage which Mortgagee may or might incur by reason of the Assignment; and any and all such liability, loss or damage incurred by Mortgagee, together with the costs and expenses, including reasonable attorney's fees, incurred by Mortgagee in the defense of any claims or demands therefor (whether successful or not), shall be so much additional indebtedness secured hereby, and shall be immediately due and payable by Mortgagor to Mortgagee without notice and with interest thereon at the Default Interest Rate.

C. Upon any default in the payment of principal or interest of said indebtedness or in the payment of any other sums provided in this Mortgage or in the performance of any covenant or condition of this Mortgage, Mortgagee may, pursuant to the assignment herein contained, and in addition to exercising any and

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all other rights and remedies provided by this Mortgage or any other agreement or by law, including the appointment of a receiver, with or without foreclosure or entry upon the Premises, demand, collect, sue for, receive, compromise, and compound all rents, income and arrears of rent as may then or thereafter be due or owing from the tenants, occupiers, lessees or assignees of any leases of the Premises, and Mortgagor hereby authorizes and directs the tenants, occupiers, lessees or assignees of any leases of the Premises to make payment to Mortgagee of rent and any other sums then due and to become due under the leases upon receipt of written demand therefor by Mortgagee, without liability for the determination of Mortgagee's right thereto. In such event, Mortgagee shall have the power, either directly or through a rental agent selected by Mortgagee, to operate, maintain and repair the Premises, and to amend any lease and to exercise any and all rights of Mortgagor with respect to any lease; and out of the rents and income thus received, after the payment of all costs and expenses of Mortgagee, to retain all sums then or thereafter due hereunder, and also a commission of two percent (2%) upon all such rents and income thus collected as compensation for its services in making such collections. The rights and powers of Mortgagee hereunder shall continue and remain in full force and effect until all amounts secured hereby, including any deficiency resulting from foreclosure sale, are paid in full, and shall continue after commencement of foreclosure and after foreclosure sale and until expiration of the equity of redemption, notwithstanding sale of the Premises to a purchaser other than Mortgagee. Mortgagee shall not be liable to Mortgagor or anyone claiming under or through Mortgagor by reason of anything done or left undone by Mortgagee hereunder, except for damage resulting from willful misconduct of Mortgagee.

The assignment of leases and rents described in this Paragraph 13 shall be deemed perfected and absolute and choate, upon the recording of this Mortgage. In the event of any conflict between the terms of this Paragraph 13 and the terms of any separate assignment of leases and rents, the terms providing Mortgagee with the most extensive or expansive rights and remedies shall control.

14. Inspection of Premises. Mortgagor shall permit Mortgagee or its agents to inspect the Premises from time to time at normal business hours and as frequently as Mortgagee considers reasonable.

15. Furnishing of Financial Statements of Books and Records. Mortgagor shall at its sole cost and expense obtain and furnish to Mortgagee annually (a) financial statements of Tenant for such fiscal year, including a balance sheet and a profit and loss statement, all in reasonable detail and conforming to generally accepted accounting principles, and (b) an operating statement for the Premises and rent rolls reflecting the rental status of the same, for such fiscal year, including the names of tenants and

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subtenants, spaces occupied expressed in square feet, annual rental under each lease, the unexpired term thereof and all renewal options. All such financial statements shall be prepared and certified as being true and correct by a certified public accountant acceptable to Mortgagee. All such operating statements and rent rolls shall be certified as being true and correct by Mortgagor. Mortgagor shall maintain full and complete books of account and other records reflecting the results of operations of the Premises in accordance with generally accepted accounting principles, and Mortgagee shall have the right at all reasonable times to inspect and copy the same. In the event Mortgagor fails to furnish any such statements, Mortgagee may cause an audit to be made of the respective books and records of Mortgagor at the sole cost and expense of Mortgagor. In addition, Mortgagee may, at Mortgagee's option, from time-to-time request financial statements of Mortgagor for such fiscal year, including a balance sheet and a profit and loss statement, all in reasonable detail and conforming to generally accepted accounting principles, and certified as being true and correct by Mortgagor. Any such financial statements shall be provided to Mortgagee at Mortgagor's sole expense.

16. Subrogation. In the event the proceeds of the loan made by Mortgagee to Mortgagor, or any part thereof, or any amount paid out or advanced by Mortgagee, be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the Premises, or any part thereof, then Mortgagee shall be subrogated to such other lien or encumbrance and to any additional security held by the holder thereof and shall have the benefit of the priority of all of same.

17. Mortgagee's Right to Deal with Transferee. In the event of the voluntary sale, or transfer by operation of law, or otherwise, of all or any part of said Premises, Mortgagee is hereby authorized and empowered to deal with such vendee or transferee with reference to said Premises, or the debt secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might with Mortgagor, without in any way releasing or discharging Mortgagor from said Mortgagor's covenants and/or undertakings hereunder, specifically including Paragraph 7.B. hereof, and without Mortgagee waiving its rights to accelerate the Note as set forth in said Paragraph 7.B.

18. Releases. Mortgagee, without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens, may release any part of the Premises, without in any way affecting the liability of any party to the Note and this Mortgage, and without in any way affecting the priority of the lien of this Mortgage, and may agree with any party obligated on said indebtedness to extend the time for payment of any part or all of the indebtedness secured hereby. Such agreement shall not, in any way, release or impair the lien created by this Mortgage, or reduce or modify the liability, if

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any, of the person or entity personally obligated for the indebtedness secured hereby, but shall extend the lien hereof as against the title of all parties having any interest in said security, which interest is subject to the indebtedness secured by this Mortgage.

19. Mortgagor's Additional Covenants and Agreements.  
Mortgagor further covenants and agrees:

A. To submit to Mortgagee for its prior written approval the specimen form of lease to be used in leasing or subleasing any part of the Premises subsequent to the execution of this Mortgage thereafter to lease or sublease part of the Premises only by means of such approved specimen form lease and at a rental in excess of that rental rate previously approved by Mortgagee unless such lease or sublease is specifically submitted to and approved by Mortgagee, and, if any such leases or subleases have been executed prior to the execution of this Mortgage, to submit such leases or subleases to Mortgagee for its written approval, and any attempted lease or sublease in contravention of this paragraph shall be null and void.

B. To faithfully perform the lessor's covenants under any subsisting and future leases affecting said Premises, and neither do, nor neglect to do, nor permit to be done, anything other than pursuing the enforcement of the terms of such leases and the exercise of the lessor's remedies thereunder following default on the part of any lessee in the performance of its prescribed obligations, which may cause the modification or termination of any of said leases, or of the obligations of any lessee or any person claiming through such lessee, or which may diminish or impair the value of any lease, or the rents provided for therein, or the interest of the lessor or of Mortgagee therein or thereunder, and any such action or inaction without Mortgagee's prior written consent shall be null and void.

C. (1) To permit no assignment which impairs the collateral of any of said leases or any subletting thereunder, other than may be permitted under the Lease referenced hereinbelow, nor to anticipate for more than one (1) month any rents that may become collectible under such lease except as therein provided.

(2) To assign to Mortgagee on forms customarily used by Mortgagee any lease requested by Mortgagee and to record the assignment at Mortgagor's expense and deposit with Mortgagee the original of such lease.

D. To notify Mortgagee promptly of any damage to said Premises in excess of \$10,000.00.

E. Any default in any of the terms, conditions, representations or covenants in any assignment of lessor's interest

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in leases given as additional security for this loan shall constitute an event of default hereunder.

F. All representations made by it in any leases or agreements affecting the Premises are true.

G. Mortgagor shall not, without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld, erect on the Premises any buildings, or any additions to buildings except for the building to be built thereon according to plans and specifications approved by Mortgagee.

H. Mortgagor shall not, without the prior written consent of Mortgagee, transfer or in any other way modify or change any of the licenses, permits or easements which are, in the sole determination of Mortgagee, necessary to operate any portion or all of the Premises.

20. Mortgagee's Reliance on Governmental, Municipal, or Charges or Liens. Mortgagor agrees that Mortgagee is hereby authorized to make or advance, in the place and stead of Mortgagor, any payment relating to taxes, assessments, water rents, sewer rentals, and other governmental or municipal charges, fines, impositions, or liens assessed against the Premises and may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of the bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien, or title or claim thereof; and Mortgagee is further authorized to make or advance in the place and stead of Mortgagor any payment relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim, or charge; or payment otherwise relating to any other purpose herein and hereby authorized, but not enumerated in this paragraph, and may do so whenever, in its sole judgment and discretion, such advance or advances shall seem necessary or desirable to protect the full security intended to be created by this instrument, unless Mortgagor assures such payment by appropriate bond, surety or otherwise, and provided, further, that in connection with any such advance, Mortgagee, at its option, may and is hereby authorized to obtain a continuation report of title or title insurance policy prepared by a title insurance company. All advances and indebtedness authorized by this paragraph shall be repayable by Mortgagor upon demand.

## 21. Default and Foreclosure.

A. Acceleration of Indebtedness. Upon any default by Mortgagor in the payment of the principal sum secured hereby, or of any installment thereof, or of interest thereon, or of any installment thereof, as they severally become due, which default continues for more than five (5) days after said payment is due, or in the performance or observance by Mortgagor of any other term,

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agreement, covenant, or condition in this Mortgage or in the Note or in any instrument now or hereafter evidencing or securing said indebtedness, which default, if it consists of the payment of money, continues for more than five (5) days after said payment is due or, if it consists of a default in the performance of any covenant or agreement other than the payment of money, continues for more than thirty (30) days after the commencement of such default, or if any warranty or representation herein made by Mortgagor is untrue, or if any proceedings be instituted or process issued to enforce any other lien, charge or encumbrance against the Premises, or if Mortgagor or any party owning or having an interest in the Premises (including any joint venturer or general partner of any owner which is a joint venture or general partnership) shall file a petition in voluntary bankruptcy or under Chapter VII, Chapter XII, or Chapter XIII of the Federal Bankruptcy Act or any similar law, state or federal, whether now or hereafter existing, or if any Mortgagor or any such party shall file an answer admitting insolvency or inability to pay its debts, or fail to obtain a vacation or stay of involuntary proceedings within ten (10) days from the institution thereof, or if Mortgagor or any such party shall be adjudicated a bankrupt, or a trustee or a receiver shall be appointed for Mortgagor or any such party for all or any portion of the Premises or for all of its property or the major part thereof in any involuntary proceeding, or any court shall have taken jurisdiction all or any portion of the Premises or all of the property of Mortgagor or any such party or the major part thereof in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of Mortgagor or any such party and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within twenty (20) days, or Mortgagor or any such party shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due or shall consent to the appointment of a receiver or trustee or liquidator of all or any portion of the Premises or of all of its property or the major part thereof, then, upon the occurrence of any of said events, the entire indebtedness secured hereby shall, at the option of Mortgagee, become immediately due and payable and, thereupon, or at any time during the existence of any such default, Mortgagee may proceed to foreclose this Mortgage by judicial proceedings according to the statutes in such case provided with respect to Mortgagor's interest in the Premises at Mortgagee's option exercisable in its sole discretion, and any failure to exercise said options shall not constitute a waiver of the right to exercise the same at any other time; provided that in case of a default in the performance of any covenant or agreement other than the payment of money which cannot with due diligence be cured within said thirty (30) day period after the commencement of such default, and if Mortgagor commences to eliminate the cause of such default prior to the expiration of said thirty (30) day period and proceeds diligently, in good faith and with reasonable dispatch to take all steps and do all work required to cure such default and

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does so cure such default, then Mortgagee shall not have the right to declare the entire debt then remaining unpaid immediately due and payable and to foreclose this Mortgage.

B. Expense of Litigation. In any suit to foreclose the lien of this Mortgage or enforce any other remedy of Mortgagee under this Mortgage, the Note or the Assignment, there shall be allowed and included, as additional indebtedness in the judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examination, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem 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 value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of said Premises and the maintenance of the lien of this Mortgage, including any litigation or proceeding affecting this Mortgage, the Note, or said Premises, or in preparation for the commencement or defense of any proceeding or threatened suit or proceedings, shall be immediately due and payable by Mortgagor, with interest thereon at the Default Interest Rate and shall be secured by this Mortgage.

C. Mortgagee's Right of Possession in Case of Default. In any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings whether or not the entire principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forthwith upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the Premises, or any part thereof, personally or by its agent or attorneys, as for condition broken and Mortgagee, in its discretion, may enter upon and take and maintain possession of all or any part of said Premises, together with all documents, books, records, papers, and accounts of Mortgagor or the then owner of the Premises relating thereto, and may exclude Mortgagor, their agents, or servants, wholly therefrom and may, as attorney-in-fact or agent of Mortgagor or in its own name as Mortgagee and under the powers herein granted: (a) hold, operate, manage, and control the Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns, may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Premises including actions for recovery of rent, actions in

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forcible detainer and actions in distress for rent, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor; (b) cancel or terminate any lease, sublease or occupancy agreement for any cause or on any ground which would entitle Mortgagor to cancel the same; (c) elect to disaffirm any lease, sublease or occupancy agreement made subsequent to this Mortgage or subordinated to the lien hereof; (d) extend or modify any then existing leases and make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and to be also binding upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (e) make all replacements, alterations, additions, betterments, and improvements to the Premises and furniture, fixtures and equipment therein contained as to Mortgagee may seem judicious, to insure and reinsure the Premises and all risks incidental to Mortgagee's possession, operation, and management thereof and to receive all avails, rents, issues, and profits.

#### D. Mortgagee's Determination of Priority of Payments.

Any avails, rents, issues and profits of the Premises received by Mortgagee after having possession of the Premises, or pursuant to any assignment thereof to Mortgagee under the provisions of this Mortgage or of any separate assignment of rents or assignment of leases, shall be applied in payment of or on account of the following, in such order as Mortgagee (or in case of a receivership, as the court) may determine:

(1) to the payment of the operating expense of the Premises, including reasonable compensation to Mortgagee or the receiver and its agent or agents, if management of the Premises has been delegated to an agent or agents (and shall also include lease commissions and other compensation and expenses of seeking and procuring occupants or tenants and entering into occupancy agreements or leases), established claims for damages, if any, premiums on insurance hereinabove authorized, and all expenditures and expenses, including attorney's fees, paid or incurred by or on behalf of Mortgagee in connection therewith;

(2) to the payment of all taxes, special assessments and water charges and sewer taxes now due or which may hereafter become due on the Premises, or which may become a lien prior to the lien of this Mortgage;

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(3) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of said Premises, including the cost from time to time of installing or replacing furniture, fixtures and equipment, and of placing said property in such condition as will, in the judgment of Mortgagee or receiver, make it readily rentable or available to be used under the terms of an occupancy agreement;

(4) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale; and then to any other indebtedness owing to Mortgagee by Mortgagor;

(5) any overplus or remaining funds to Mortgagor, its successors or assigns, as their rights may appear.

E. Appointment of Receiver. Upon or at any time after the filing of any complaint to foreclose this Mortgage, the court may, upon application, appoint a receiver of the Premises. Such appointment may be made either before or after sale, without notice and without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the indebtedness secured hereby and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not, and without bond being required of the applicant. Such receiver shall have the power to take possession, control, and care of the Premises and to collect the rents, issues, and profits of the Premises during the pendency of such foreclosure suit and in case of a sale and deficiency, during the full statutory period (provided that the period of redemption has not been waived by Mortgagor), as well as during any further times when Mortgagor, its heirs, administrators, executors, successors or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are useful in such cases for the protection, possession, control, management, and operation of the Premises, during the whole of said period. To the extent permitted by law, said receiver may be authorized by the court to extend or modify any then existing leases and to make new leases, which extensions, modifications, and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder, it being understood and agreed that any such leases and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser. Said receiver, to the extent permitted by

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law, may also be authorized by the court to enter into occupancy agreements granting individuals a right and license to occupy portions of the Premises.

F. Application of Proceeds of Foreclosure Suit. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Paragraph 21.B hereof; second, in payment of all other items which, under the terms hereof, constitute secured indebtedness additional to that evidenced by the Note, with interest thereon at the default Interest Rate; third, in payment of all principal and interest remaining unpaid on the Note; and fourth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

G. Rescission of or Failure to Exercise. The failure of Mortgagee to exercise the option for acceleration of maturity and/or foreclosure following any default as aforesaid or to exercise any other option granted to Mortgagee hereunder in any one or more instances, or the acceptance by Mortgagee of partial payments hereunder shall not constitute a waiver of any such default, nor extend or affect the grace period, if any, but such option shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Mortgagee, may, at the option of Mortgagee, be rescinded by written acknowledgement to that effect by Mortgagee, and shall not affect Mortgagee's right to accelerate the maturity for any future default.

H. Sale of Separate Parcels; Right of Mortgagee to Purchase. In the event of any foreclosure sale of said Premises, the same may be sold in one or more parcels. Mortgagee may be the purchaser at any foreclosure sale of the Premises or any part thereof.

I. Waiver of Statutory Rights and Right of Redemption. To the extent permitted by the laws of the State of Illinois as the same may be in force from time to time, Mortgagor shall not and will not apply for or avail itself of any appraisement, valuation, redemption, 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 hereby waives the benefit of such laws, and, specifically, its right of redemption. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety.

J. Default Interest Rate. The term "Default Interest Rate" is deemed to mean interest at the rate of TWO PERCENT (2%)

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per annum in excess of the interest rate which would otherwise prevail from time to time under the Note until paid.

22. Rights and Remedies are Cumulative. All rights and remedies herein provided are cumulative and the holder of the Note secured hereby and of every other obligation secured hereby may recover judgment hereon, 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 afforded by this Mortgage.

23. Time Is of the Essence. It is specifically agreed that time is of the essence of this Mortgage. The waiver of the options or obligations secured hereby shall not at any time thereafter be held to be abandonment of such rights. Except as otherwise specifically required, notice of the exercise of any option granted to Mortgagee herein, or in the Note secured hereby, is not required to be given.

24. Deed In Trust. In the event title to the Premises is now or hereafter becomes vested in a trustee, any prohibition or restriction contained herein upon the creation of any lien against or transfer of interest in the Premises shall also be construed as a similar prohibition or limitation against the creation of any lien or security interest upon or assignment, sale or other transfer of the beneficial interest under such trust.

25. Uniform Commercial Code. To the extent that this instrument may operate as a security agreement under the Uniform Commercial Code, Mortgagee shall have all rights and remedies conferred therein for the benefit of a Secured Party (as said term is defined in the Uniform Commercial Code).

26. Deposits. With respect to any deposits made with or held by Mortgagee or any depository pursuant to any of the provisions of this Mortgage, Mortgagee may, at its option, without being required to do so, apply any monies or securities which constitute such deposits on any of Mortgagor's obligations herein or in the Note contained, in such order and manner as Mortgagee may elect. When the indebtedness secured hereby, and all other indebtedness owed by Mortgagor to Mortgagee hereunder, has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the Premises. Such deposits are hereby pledged as additional security for the prompt payment of the Note and any other indebtedness hereunder and shall be held to be irrevocably applied by the depository for the purposes for which they are made hereunder and shall not be subject to the direction or control of Mortgagor.

27. Environmental Matters. Mortgagor represents, covenants and agrees as follows:

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A. Mortgagor will not use, generate, manufacture, produce, store, release, discharge of on, under or about the Premises or transport to or from the Premises any Hazardous Substance (as hereinafter defined) or allow any other person or entity to do so;

B. Mortgagor, shall keep and maintain the Premises in compliance with, and shall not cause or permit the Premises to be in violation of any Environmental Law (as hereinafter defined) or allow any other person or entity to do so;

C. Mortgagor shall give prompt written notice to Mortgagee of:

(1) any proceeding or inquiry by any governmental authority whether Federal, state, or local, with respect to violation of any Environmental Law, the presence of any Hazardous Substance on the Premises or the migration thereof from or to other property;

(2) all claims made or threatened by any third party against Mortgagor or the Premises relating to any loss or injury resulting from any Hazardous Substance; and

(3) Mortgagor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Premises that could cause the Premises or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Premises under any Environmental Law;

D. Mortgagee shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with violation of any Environmental Law and Mortgagor hereby agrees to pay reasonable attorney's fees thereby incurred by Mortgagee in connection therewith;

E. Mortgagor shall protect, indemnify and hold harmless Mortgagee, its directors, officers, administrators, shareholders, employees, agents, contractors, attorneys, successors and assigns from and against any and all loss, damage, cost, expense or liability (including reasonable attorneys' fees and costs) directly or indirectly arising out of or attributable to violation of any Environmental Law, the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal, or presence of a Hazardous Substance on, under or about the Premises including without limitation (1) all foreseeable consequential damages; and (2) the costs of any required or necessary repair, cleanup, or detoxification of the Premises and the preparation and implementation of any closure, remedial or other required plans. This indemnity and covenant shall survive the assignment or

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satisfaction of the lien of this Mortgage, or the extinguishment of such lien by foreclosure or action in lieu thereof;

F. In the event that any investigation, site monitoring, containment, cleanup, removal, restoration, or other remedial work of any kind or nature (the "Remedial Work") is reasonably necessary under any applicable local, state or Federal law or regulation, any judicial order, or by any governmental or nongovernmental entity or person because of, or in connection with, the current or future presence, or suspected Presence release or suspected release of a Hazardous Substance in or into the air, soil, ground, water, surface water or soil vapor at, on, about, under or within the Premises or any portion thereof, Mortgagor shall have thirty (30) days after written demand for performance thereof by Mortgagee or other party or governmental entity or agency (or such shorter period of time as may be required under any applicable law, regulation, order or agreement), to commence to perform, or cause to be commenced, and thereafter diligently prosecuted to completion, all such Remedial Work. All Remedial Work shall be performed by one or more contractors, approved in advance in writing by Mortgagee, and under the supervision of a consulting engineer approved in advance in writing by Mortgagee. All costs and expenses of such Remedial Work shall be paid by Mortgagor, including, without limitation, the charges of such contractor and the consulting engineer, and Mortgagee's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of such Remedial Work. In the event Mortgagor shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Mortgagee may but shall not be required to, cause such Remedial Work to be performed and all costs and expenses thereof incurred in connection therewith shall become immediately due and payable with interest thereon at the Default Interest Rate until paid, and such amounts shall be secured by this Mortgage;

G. Without Mortgagee's prior written consent, which shall not be unreasonably withheld, Mortgagor shall not take any remedial action in response to the presence of any Hazardous Substance on, under, or about the Premises nor enter into any settlement agreement, consent, decree or other compromise in respect to any Hazardous Substance claims. Said consent may be withheld, without limitation, if Mortgagee, in its reasonable judgment, determines that said remedial action, settlement, consent or compromise might impair the value of Mortgagee's security hereunder; provided, however, that Mortgagee's prior consent shall not be necessary in the event that the presence of Hazardous Substance in, on, under or about the Premises either poses an immediate threat to the health, safety, or welfare of any individual or is of such nature that an immediate remedial response is necessary, and it is not possible to obtain Mortgagee's consent before taking such action, provided that in such event Mortgagor shall notify Mortgagee as soon as practicable of any action so

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taken. Mortgagee agrees not to withhold its consent, when such consent is required hereunder, if either (1) a particular remedial action is ordered by a court of competent jurisdiction; or (2) Mortgagor establishes to the reasonable satisfaction of Mortgagee that there is no reasonable alternative to such remedial action that would result in materially less impairment of Mortgagee's security hereunder.

For purposes of this Paragraph 27, the following terms shall have the meanings as set forth below:

A. "Environmental Laws" shall mean any Federal, state or local law, statute, ordinance, or regulation pertaining to health, industrial hygiene, or the environmental conditions on, under or about the premises, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") as amended, 42 U.S.C. Sections 9601 et seq., and the Resource Conservation and Recovery Act of 1976 ("RCRA") as amended, 42 U.S.C. Sections 6901 et seq.;

B. The term "Hazardous Substance" shall include without limitation:

(1) those substances included within the definitions of any more or one of the terms "hazardous substances," "hazardous materials," "toxic substances," and "solid waste" in CERCLA, RCRA, and the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Sections 1801 et seq., and in the regulations promulgated pursuant to said laws or under applicable Illinois law.

(2) those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto);

(3) such other substances, materials and wastes which are or become regulated under applicable local, state or Federal laws, or which are classified as hazardous or toxic under Federal, state, or local laws or regulations; and

(4) any material, waste or substance which is (a) petroleum; (b) asbestos; (c) polychlorinated biphenyls; (d) designated as a "Hazardous Substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. 1251 et seq. (33 U.S.C. 1321), or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. 1317); (e) flammable explosives; or (f) radioactive materials.

28. Covenants to Run with the Land. All the covenants hereof shall run with the land.

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29. Captions. The captions and headings of various paragraphs are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

30. Construction. The Mortgage and the rights and indebtedness hereby secured shall be construed and enforced according to the laws of the State of Illinois.

31. Binding on Successors and Assigns. This Mortgage and all provisions hereof shall inure to the benefit of and be binding upon the successors, vendees and assigns of the parties hereto, and the word "Mortgagor" when used herein shall include all such persons claiming by, through, or under 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. The word "Mortgagee" when used herein shall include the successors and assigns of Mortgagee named herein, and the holder or holders, from time to time, of the Note secured hereby. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

32. Illegality of Terms Hereof. Nothing herein or in the Note contained nor any transaction related thereto shall be construed or shall so operate either presently or prospectively (a) to require Mortgagor to pay interest at a rate greater than is now lawful in such case to contract for, but shall require payment of interest only to the extent of such lawful rate, or (b) to require Mortgagor to make any payment or do any act contrary to law, but if any clause and provision herein contained shall otherwise so operate to invalidate this Mortgage, in whole or in part, then such clauses and provisions only shall be held for naught as though not herein contained and the remainder of this Mortgage shall remain operative and in full force and effect.

33. Execution of Additional Documents. Mortgagor covenants and agrees that, upon request from time to time of Mortgagee, Mortgagor will execute, acknowledge and deliver all such additional instruments and further assurances of title and will do or cause to be done all such further acts and things as may be reasonably necessary to fully establish, confirm or perfect from time to time the lien of this Mortgage on the Premises, property, rights and interests described in the granting clauses hereof or to subject said Premises, property, rights and interests described in the granting clauses hereof to the lien of this Mortgage.

34. Further Security. Mortgagor has executed a Specific Assignment, Subordination, Non-Disturbance and Attornment Agreement ("Assignment") of even date herewith further securing the Note. A default under the Assignment shall constitute a default hereunder.

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35. Notices. Any notice, request, demand, approval or consent given or required to be given under this Mortgage shall be in writing and shall be deemed as having been given when deposited in the United States Mail, Certified Mail, return receipt requested, postage prepaid, to the party to whom such item is directed at the addresses stated below or at the last changed address given by the party to be notified:

• GARY SOLOMON & COMPANY  
• 3137 N. LINCOLN AVENUE  
• CHICAGO, ILLINOIS 60657

MODERN WOODMEN OF AMERICA  
Investment Department  
1701 - 1st Avenue  
Rock Island, IL 61201

36. Future Advances. Upon request of Mortgagor and prior to the release of this Mortgage, Mortgagee may, at Mortgagee's option, make future advances to Mortgagor. Such future advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed the original amount of the Note plus \$2,000,000.00.

37. Trustee Exoneration. IT IS EXPRESSLY UNDERSTOOD AND AGREED by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee while in form purporting to be the warranties, indemnities, representations, covenants, undertakings and agreements of said Trustee are nevertheless each and every one of them, made and intended not as personal warranties, indemnities, representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally but are made and intended for the purpose of binding only that portion of the trust property specifically described herein, and this instrument is executed and delivered by said Trustee not in its own right, but solely in the exercise of the powers conferred upon it as such Trustee.

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IN WITNESS WHEREOF, Mortgagor has caused these presents to be executed on the day and year first above written.

AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER LAND TRUST NO. 59135-04, DATED SEPTEMBER 1, 1983.

ATTEST:

By: \_\_\_\_\_

By: Its \_\_\_\_\_ The terms and conditions contained in this instrument to the contrary notwithstanding this instrument is subject to the provisions of the Trustee's Exculpatory Rider attached hereto and, made a part hereof.

STATE OF )  
  ) SS.  
COUNTY OF )

The undersigned, a Notary Public in and for the County and State aforesaid, DOES HEREBY CERTIFY that \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of \_\_\_\_\_, as Trustee under a Trust Agreement dated \_\_\_\_\_, and known as Trust Number \_\_\_\_\_, and \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of said Bank, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such \_\_\_\_\_ and \_\_\_\_\_, they signed and delivered the said instrument as \_\_\_\_\_ and \_\_\_\_\_ of said Bank and caused the corporate seal of said Bank to be affixed thereto, pursuant to authority given by the Board of Directors of said Bank, as Trustee aforesaid, as their free and voluntary act and as the free and voluntary act and deed of said Bank for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_

NOTARY PUBLIC \_\_\_\_\_ The terms and conditions contained in this instrument to the contrary notwithstanding this instrument is subject to the provisions of the Trustee's Exculpatory Rider attached hereto and, made a part hereof.

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This instrument is executed by the undersigned Land Trustee, not personally but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed that all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee are undertaken by it solely in its capacity as Trustee and not personally. It is further understood and agreed that the Trustee merely holds title to the property herein described and has no agents, employees or control over the management of the property and no knowledge of other factual matters except as represented to it by the beneficiary(ies) of the Trust. No personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee in this instrument, all such liability being expressly waived by every person now or hereafter claiming any right or security hereunder; and the owner of any indebtedness or cause of action for breach of any warranty, indemnity, representation, covenant, undertaking or agreement accruing hereunder shall look solely to the Trust estate for the payment thereof.

IN WITNESS WHEREOF, American National Bank and Trust Company of Chicago, not personally but as Trustee as aforesaid, has caused these presents to be signed by one of its Officers the day and year first above written.

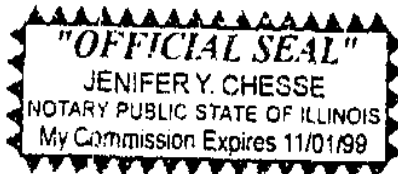
AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO  
as Trustee, as aforesaid, and not personally,

By Michael Wang  
Michael Wang, Trust Officer

STATE OF ILLINOIS        )  
COUNTY OF COOK        )

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, do hereby certify Michael Wang an officer of American National Bank and Trust Company of Chicago personally known to me to be the same person whose names is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that said officer said of said association signed and delivered this instrument as a free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and seal this (date) FEB 14 1996



Jenifer Y. Chesse  
NOTARY PUBLIC

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## EXHIBIT A

### Legal Description

THAT PART OF OUT-LOT "D" IN SCHAUMBURG INDUSTRIAL PARK, BEING A SUBDIVISION OF THE SOUTHEAST 1/4 OF SECTION 11, PART OF THE NORTHEAST 1/4 OF SECTION 11, PART OF THE SOUTHWEST 1/4 OF SECTION 12, PART OF THE NORTHWEST 1/4 OF SECTION 13; AND PART OF THE NORTHEAST 1/4 OF SECTION 14, ALL IN TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN; RECORDED AS DOCUMENT NUMBER 20866510 AND FILED AS DOCUMENT NUMBER LR245597; BOUNDED BY A LINE DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF OUT-LOT "D" AFORESAID, THENCE SOUTH 87 DEGREES 16 MINUTES 56 SECONDS WEST ALONG THE SOUTH LINE OF SAID OUT-LOT "D" A DISTANCE OF 1,752.0 FEET FOR A POINT OF BEGINNING:

THENCE CONTINUING SOUTH 87 DEGREES 16 MINUTES 56 SECONDS WEST ALONG THE SOUTH LINE OF SAID OUT-LOT "D" A DISTANCE OF 350.0 FEET, THENCE NORTH 02 DEGREES 43 MINUTES 04 SECONDS WEST A DISTANCE OF 600.0 FEET; THENCE NORTH 87 DEGREES 16 MINUTES 56 SECONDS EAST, A DISTANCE OF 350.00 FEET, THENCE SOUTH 02 DEGREES 43 MINUTES 04 SECONDS EAST, A DISTANCE OF 600.0 FEET TO THE POINT OF BEGINNING, EXCEPTING THEREFROM THE SOUTH 20.0 FEET THEREOF; IN COOK COUNTY, ILLINOIS.

PIA 07-11-400-009

Commonly Known As:  
830 East Golf Road  
Schaumburg, IL

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