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. #6703 LF \*-97-004832  
. COOK COUNTY RECORDER

## MORTGAGE

THIS MORTGAGE made as of the 1st day of January, 1996, between ORCHARD/BELDEN L.L.C., an Illinois limited liability company, hereinafter referred to as "Mortgagor" and THE SIGMUND PETROVICH REVOCABLE TRUST u/t/a dated 2/24/92 and THE MARY PETROVICH REVOCABLE TRUST u/t/a/ 2/24/92 hereinafter referred to as "Mortgagee".

### WITNESSETH:

That Mortgagor is justly indebted to Mortgagee for money borrowed in the amount of FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$500,000.00) as evidenced by a Mortgage Note (which Note together with any and all other notes executed and delivered in substitution, renewal or extension thereof, in whole or in part, are collectively referred to as "Notes") executed by Mortgagor of even date herewith, made payable to the order of and delivered to Mortgagee, by the provisions of which Mortgagor promises to pay to Mortgagee the principal amount of the Note and interest thereon as provided in Note together with all other sums (up to but not exceeding five hundred percent (500%) of the principal amount of Note) advanced by Mortgagee to protect the "Mortgaged Premises" (hereafter defined) to preserve the priority of the lien established hereby ("Other Sums"), at the place or places set forth in Note. The principal amount of Note, interest due thereon and Other Sums are collectively referred to as "Indebtedness" and the Note has a final installment of principal and interest due and payable on December 31, 2005.

NOW, THEREFORE, Mortgagor to secure the payment of Indebtedness and the performance of the terms, covenants, conditions and agreements contained herein and in Note, and any other document executed and delivered to secure Indebtedness (collectively "Other Loan Documents"), DOES, by these presents, GRANT, BARGAIN, SELL, AND CONVEY unto Mortgagee, its successors and assigns, forever, the land situated in Cook County, Illinois and described on Exhibit "A" attached hereto ("Land"),

TOGETHER WITH (collectively "Other Interests"):

- A. All right, title and interest of the Mortgagor including any after-acquired title or reversion, in and to the beds of ways, roads, streets, avenues and alleys adjoining Land.
- B. All and singular the tenements, hereditaments, easements, appurtenances, passages, waters, water rights, water courses, riparian rights, other rights, liberties and privileges thereof or in any way now or hereafter appertaining, including any other claim at law or in equity as well as any after-acquired title, franchise or license and the reversion and reversions and remainder and remainders thereof.

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- C. All buildings and improvements of every kind and description now or hereafter located or placed upon Land ("Improvements") and all materials intended for construction, re-construction, alteration and repairs of Improvements all of which materials shall be deemed a part thereof immediately upon the delivery of same, and all fixtures and articles of personal property now or hereafter owned by the Mortgagor and attached to or contained in and used in connection with Land and Improvements, including but not limited to all furniture, furnishings, apparatus, machinery, motors, elevators, fittings, radiators, gas ranges, ice boxes, mechanical refrigerators, awnings, shades, screens, blinds, office equipment, carpeting and other furnishings, and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air-conditioning and sprinkler equipment and fixtures and appurtenances thereto, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to Improvements in any manner, excepting therefrom, however, any furniture, fixtures, equipment and articles of personal property, regardless of the manner or mode of attachment, belonging to any present or future tenant or lessee of Land and Improvements (any reference hereafter made to furniture, fixtures, equipment or personal property shall be deemed to exclude the same); IT BEING MUTUALLY AGREED that all the aforesaid property owned by Mortgagor and placed by it on Land and Improvements shall, so far as permitted by law, be deemed to be fixtures and a part of the realty and security for the payment of Indebtedness and, as to any such property not deemed to be fixtures and a part of "Mortgaged Premises" (hereafter defined), this Mortgage shall be and is a security agreement for the purpose of establishing a security interest in said property pursuant to the Uniform Commercial Code of the State of Illinois, and additional security for the payment of Indebtedness and the performance of all other obligations of Mortgagor herein.
- D. All rents, issues, proceeds and profits accruing and to accrue from 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 Mortgaged Premises, whether written or oral, and all other leases and agreements for the use thereof ("Leases"), together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission of Mortgagee given to Mortgagor to collect, receive, take, use and enjoy the rentals, issues, proceeds and profits to be paid pursuant thereto.
- E. Except as otherwise provided in this Mortgage, all:
- (1) proceeds heretofore or hereafter paid to Mortgagor and all subsequent owners of Mortgaged Premises ("Proceeds") by reason of loss or damage by fire and such other hazards, casualties and contingencies ("Casualty") insured pursuant to "Insurance Policies" (hereafter defined); and
  - (2) all awards and other compensation heretofore or hereafter to be made to Mortgagor and all subsequent owners of Mortgaged Premises ("Awards") for any taking by condemnation or eminent domain proceedings, either permanent or temporary ("Condemnation"), of all or any part of Mortgaged Premises or any easement or appurtenance thereof, including consequential damage and change in grade of streets;

which Proceeds or Awards are hereby assigned to Mortgagee (Mortgagor hereby appoints Mortgagee its attorney-in-fact, coupled with an interest, and authorizes, directs and empowers such attorney-in-fact, at its option, on behalf of Mortgagor its personal

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representatives, successors and assigns, to adjust or compromise the claim for Proceeds or Awards and to collect and receive the proceeds thereof, to give proper receipts and acquittances therefor and, after deducting expenses of collection, to apply the net proceeds received therefrom as a credit upon any part, as may be selected by Mortgagee, of Indebtedness, notwithstanding that the amount owing thereon may not then be due and payable or that the same is otherwise adequately secured).

For convenience, Land, Improvements and Other Interests are herein collectively referred to as "Mortgaged Premises".

TO HAVE AND TO HOLD Mortgaged Premises unto Mortgagee, its successors and assigns, forever, for the uses and purposes herein set forth (Mortgagor hereby **RELEASING AND WAIVING** all rights under and by virtue of the homestead exemption laws of the State of Illinois); **PROVIDED, HOWEVER**, that if and when Mortgagor shall pay in full when due Indebtedness and shall perform all of the terms, covenants, conditions and agreements contained herein and in Other Loan Documents, this Mortgage, Note, and Other Loan Documents, shall be released, at the sole cost and expense of Mortgagor, otherwise the same shall be and remain in full force and effect.

MORTGAGOR HEREBY FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. PRIORITY OF LIEN AND SUBORDINATE ENCUMBRANCES: This Mortgage is and shall remain a valid first mortgage lien on the Mortgaged Premises until the payment in full of Indebtedness.

2. PROMPT PAYMENT: Mortgagor shall promptly pay Indebtedness at the times and in the manner provided in Note and this Mortgage.

3. PAYMENT OF TAXES AND OTHER IMPOSITIONS: Mortgagor shall promptly pay, when due and payable, all ground rents, if any, and all taxes and assessments (general and special), water and sewer charges, public impositions, levies, dues and other charges, of whatever nature (collectively "Impositions"), which are now or shall hereafter be levied or assessed or which may otherwise be or become a lien upon or against Mortgaged Premises, or any part thereof, other than matters expressly permitted herein.

4. INSURANCE POLICIES, PAYMENT AND APPLICATION OF PROCEEDS AND SETTLEMENT OF CLAIMS: Until Indebtedness is fully paid, Mortgagor shall keep Mortgaged Premises continuously insured against Casualty by policies of insurance hereafter set forth, in such amounts and for such periods as may, from time to time, be reasonably required by Mortgagee ("Insurance Policies") which Insurance Policies shall be written in standard policies and by insurance companies reasonably acceptable to Mortgagee, and all Insurance Policies and renewals thereof shall have attached thereto standard noncontributory mortgagee clauses, which shall provide that such coverage cannot be terminated as to Mortgagee, except upon thirty (30) days written notice. All Insurance Policies shall, with all premiums fully paid, be delivered to Mortgagee as issued at least thirty (30) days before the expiration of old Insurance Policies and shall be held by Mortgagee until Indebtedness is fully paid. In case of sale pursuant to a foreclosure of this Mortgage or other transfer of title to Mortgaged Premises and extinguishment of Indebtedness, complete title to all Insurance Policies held by Mortgagee (or the certificates of insurance held by Mortgagee in lieu thereof) and to all prepaid or unearned premiums thereon shall pass to and vest to the purchaser or grantee. If any renewal Insurance Policy or certificate thereof is not delivered to Mortgagee thirty (30) days before the expiration of any existing Insurance Policy, with evidence of premium paid, Mortgagee may obtain the required insurance on behalf of Mortgagor (or insurance in favor of Mortgagee alone) and pay the premiums thereon. Any monies so advanced shall be so much additional Indebtedness secured hereby and shall become immediately due and

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payable with interest thereon at the Default Rate (hereafter defined). Mortgagee shall not by reason of accepting, rejecting, approving or obtaining insurance incur any liability for payment of losses.

5. CONDEMNATION: In the event the Mortgaged Premises, or any part thereof, is taken by Condemnation, Mortgagee is hereby empowered to collect and receive Awards, which shall be forthwith applied by Mortgagee, as it may elect, to the payment of Indebtedness (and in the event Awards are insufficient to pay Indebtedness in full, Mortgagor shall have the right to pay the balance of Indebtedness then due) or to the repair and restoration of that part of the Mortgaged Premises so taken or damaged.

In the event Mortgagee elects to permit the use of Awards for rebuilding or restoring the Mortgaged Premises, the Mortgaged Premises shall be so rebuilt or restored so as to be as similar, as is reasonably possible, to the condition which existed prior to such Condemnation. In the event Mortgagor is entitled to reimbursement out of Awards, the proceeds of same shall be paid in the same manner as provided in paragraph 4 hereof with respect to a loss by Casualty. In the event Awards are insufficient to cover the cost of such rebuilding or restoring, Mortgagor shall pay such excess costs prior to any disbursement of Awards to it. Any surplus Awards, after the payment of all costs of rebuilding or restoring shall, at the option of Mortgagee, be applied on account of Indebtedness or paid to Mortgagor.

6. CASUALTY OR CONDEMNATION AFTER FORECLOSURE: In the event of Casualty or Condemnation after foreclosure proceedings have been instituted, Proceeds or Awards, if not applied as specified in Paragraphs 4 and 5 above, shall be used to pay the amounts due in accordance with any decree of foreclosure which may be entered in any such proceedings and the balance, if any, shall either be paid to the owner of the equity redemption, if such owner shall be entitled to the same, or as the court may direct.

7. MORTGAGEE'S LIABILITY FOR COLLECTION OF PROCEEDS OR AWARDS: Mortgagee shall not be held liable for any failure to collect Proceeds or Awards, regardless of the cause of such failure and:

- (a) the power and authority granted to Mortgagee to collect Proceeds or Awards is irrevocable and coupled with an interest and shall, in no way, affect the security of this Mortgage or the liability of Mortgagor for payment of Indebtedness; and
- (b) the entry of a decree of foreclosure of the lien hereof shall not affect or impair said power and authority.

In the event there is a payment of Proceeds or Awards and Mortgagee elects to apply the same to Indebtedness, Mortgagee agrees that such application will be free of any prepayment premium or fee.

8. USE, CARE OR WASTE: Mortgagor shall:

- (a) not abandon the Mortgaged Premises or do or suffer anything to be done which would depreciate or materially impair the value thereof or the security of this Mortgage;
- (b) not remove or demolish any part of Improvements of a structural nature which would adversely affect the value of the Mortgaged Premises;
- (c) not make any material changes, additions or alterations to Mortgaged Premises, except as required by any applicable statute, law or ordinance of any governmental authority having jurisdiction over Mortgaged Premises and the intended use

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thereof, or as otherwise approved in writing by Mortgagee, which approval will not be unreasonably withheld;

- (d) maintain, preserve and keep the Mortgaged Premises in good, safe and insurable condition and repair and promptly make any needful and proper repairs, replacements, renewals, additions or substitutions required by wear and tear, damage, obsolescence or destruction;
- (e) promptly restore and replace any Improvements or Other Interests which are destroyed or damaged; and
- (f) not commit or permit to exist any waste of the Mortgaged Premises.

Mortgagor shall comply with and cause the Mortgaged Premises, and the use and condition thereof, to comply with all statutes, ordinances, requirements, regulations, orders and decrees relating to Mortgagor or the Mortgaged Premises, or the use thereof, by any federal, state, county or other governmental authority and with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits, privileges, franchises and concessions (including, without limitation, those relating to land use and development, construction, access, water rights, noise and pollution) which are applicable to Mortgagor or have been granted for the Mortgaged Premises, or the use thereof.

## 9. HAZARDOUS OR TOXIC SUBSTANCES:

- (a) Mortgagor hereby represents and warrants to Mortgagee that no hazardous or toxic substances, within the meaning of any applicable statute or regulation, are presently stored or otherwise located on the Mortgaged Premises, and further within the definition of such statutes, no part of the Mortgaged Premises, including the ground-water located thereon, is presently contaminated by any such substance.
- (b) Mortgagor covenants and agrees with Mortgagee that, until the Indebtedness is paid in full, all hazardous or toxic substances, within the definition of any applicable statute or regulation, which may be used by any person for any purpose upon the Mortgaged Premises shall be used or stored thereon only in a safe, approved manner, in accordance with all industrial standards and all laws, regulations and requirements for such storage promulgated by any governmental authority, that the Mortgaged Premises will not be used for the principal purpose of storing such substances and that no such storage or use will otherwise be allowed on the Mortgaged Premises which will cause, or which will increase the likelihood of causing, the release of such substances onto the Mortgaged Premises.
- (c) Mortgagor covenants and agrees with Mortgagee that Mortgagor shall promptly notify Mortgagee as soon as Mortgagor knows or suspects that a toxic or hazardous substance has been released on the Mortgaged Premises.
- (d) Mortgagor shall indemnify and hold Mortgagee harmless of and from all loss, cost (including reasonable attorneys' fees), liability and damage whatsoever incurred by Mortgagee by reason of any violation of any applicable statute or regulation for the protection of the environment which occurs upon the Mortgaged Premises, or by reason of the imposition of any governmental lien for the recovery of environmental

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cleanup costs expended by reason of such violation; provided that, to the extent that Mortgagee is strictly liable under any such statute, Mortgagor's obligations to lender under this indemnity shall likewise be without regard to fault on the part of Mortgagor with respect to the violation of law which results in liability to Mortgagee. The foregoing indemnity shall survive repayment of the Indebtedness.

10. MORTGAGEE'S PERFORMANCE OF MORTGAGOR'S OBLIGATIONS: If Mortgagor shall fail to:

- (a) promptly discharge any liens or encumbrances;
- (b) defend the title to the Mortgaged Premises;
- (c) pay any Impositions;
- (d) diligently and continuously pursue the rebuilding or restoration of the Mortgaged Premises in the event of loss by Casualty or Condemnation;
- (e) procure and maintain the Insurance Policies;
- (f) properly maintain and preserve the Mortgaged Premises, including, but not limited to, the maintenance of the Mortgaged Premises free from all hazardous or toxic wastes as described in Paragraph 9 herein;

and such default is not cured or otherwise secured against, to the satisfaction of Mortgagee, Mortgagee may, at its election and without further demand or notice, pay and discharge such lien or encumbrance, defend the title to the Mortgaged Premises, pay such Impositions (plus any interest and penalties thereon), procure Insurance Policies and pay the premiums therefor, complete such rebuilding or restoration and maintain and preserve the Mortgaged Premises, in which event, all expenditures therefor, including attorneys' fees incurred by Mortgagee shall forthwith become due and payable to Mortgagee, together with interest thereon at Default Rate (hereinafter defined), which shall be added to and become a part of Indebtedness and shall be secured by the lien of this Mortgage, all without prejudice to the right of Mortgagee to declare indebtedness immediately due and payable by reason of Mortgagor's Event of Default and breach of the terms, covenants, conditions and agreements herein contained. Mortgagee shall have the right of determination as to the validity of any lien, encumbrance or imposition attributable to or assessed against the Mortgaged Premises and the payment thereof by Mortgagee shall establish its right to recover the amount so paid, with interest at Default Rate.

11. WAIVERS: To the full extent permitted by law, Mortgagor:

- (a) shall not, at any time, insist upon or plead or, in any manner whatsoever, claim, or take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" (now or at any time hereafter in force) nor claim, take or insist upon any benefit or advantage of or from any law (now or hereafter in force providing for the valuation or appraisal of the Mortgaged Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained or to any decree, judgment or order of any court of competent jurisdiction or after such sale or sales, claim or exercise any rights pursuant to any statute now or hereafter in force to redeem the Mortgaged Premises so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof;

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- (b) hereby expressly waives any and all rights of reinstatement and redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf, and 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 and reinstatement of Mortgagor and all other persons are and shall be deemed to be hereby waived to the full extent permitted by applicable law; and
- (c) agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Mortgagee but will suffer and permit the exercise of every such right, power and remedy as though no such law or laws has, have been or will have been made or enacted.

## 12. DEFAULT. If:

- (a) default be made in the payment of the whole or any part of any of the several installments when due under the Note secured by this Mortgage or Other Loan Documents; or
- (b) default be made in the performance of any of the terms, agreements, covenants or conditions contained in this Mortgage or in the performance of any of the terms, agreements, covenants or conditions contained in Other Loan Documents and such default shall continue after thirty (30) days' prior written notice to Mortgagor;
- (c) Mortgagor or any member of Mortgagor shall file a petition in voluntary bankruptcy or pursuant to any provision of the Federal Bankruptcy Act or similar state or federal law, whether now or hereafter existing, or an answer admitting insolvency or inability to pay its debts;
- (d) Mortgagor or any member of Mortgagor shall be adjudicated a bankrupt or a trustee or receiver shall be appointed for any beneficiary for all or the major part of its property, in any involuntary proceeding, or any court shall have taken jurisdiction of all or the major part of the property of Mortgagor or any member of Mortgagor, in any involuntary proceeding, for the reorganization, dissolution, liquidation or winding up of any beneficiary and such trustee or receiver shall not be discharged or such jurisdiction relinquished, vacated or stayed on appeal within sixty (60) days; or
- (e) Mortgagor or any member of Mortgagor shall make an assignment for the benefit of creditors or shall admit, in writing, its inability to pay its debts generally as the same become due or shall consent to the appointment of a receiver, trustee or liquidator of all or the major part of its property;

(collectively "Event of Default"), then, or at any time thereafter during the continuance of Event of Default, the entire Indebtedness, together with interest accrued thereon, shall, at the election of Mortgagee, without further notice of such election and without demand or presentment, become immediately due and payable, anything contained herein or in the Note secured hereby to the contrary notwithstanding, and the principal balance so accelerated and declared due as

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aforesaid shall thereafter bear interest at the rate of twelve percent (12%) (the "Default Rate").

13. REMEDIES NOT EXCLUSIVE: No remedy or right of Mortgagee hereunder or pursuant to Note or Other Loan Documents or otherwise available under applicable law, shall be exclusive of any other remedy or right but each such remedy or right shall be in addition to every other remedy or right now or hereinafter existing at law or in equity pursuant thereto. No delay in the exercise of or omission to exercise any remedy or right accruing upon an Event of Default shall impair any such remedy or right or be construed to be a waiver of any such default or an acquiescence therein nor shall the same affect any subsequent Event of Default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, when and as often as may be deemed expedient by Mortgagee. All obligations of Mortgagor and all rights, powers and remedies of Mortgagee expressed herein shall be in addition to and not in limitation of those provided by law and in this Mortgage and Other Loan Documents.

14. REMEDIES: Upon the occurrence of an Event of Default, Mortgagee shall have the right to immediately foreclose this Mortgage. Upon the filing of any complaint by reason thereof, the court in which the same is filed may:

- (a) upon application of Mortgagee or at any time thereafter;
- (b) either before or after foreclosure sale and without notice to Mortgagor or to any party claiming under Mortgagor;
- (c) without regard to the solvency or insolvency at the time of such application of any person then liable for the payment of Indebtedness, or any part thereof;
- (d) without regard to the then value of the Mortgaged Premises or whether the same shall then be occupied in whole or in part, as a homestead by the owner of the equity of redemption; and
- (e) without requiring any bond from the complainant in such proceedings;

appoint a receiver for the benefit of Mortgagee, with power to take possession, charge and control of the Mortgaged Premises, to lease the same, keep the Mortgaged Premises insured and in good repair and collect all rentals during the pendency of such foreclosure suit and, in the event of foreclosure sale and a deficiency in the proceeds received therefrom, during any period of redemption. The court may, from time to time, authorize such receiver to apply the net amounts remaining in its possession, after deducting reasonable compensation for itself and its counsel to be allowed by the court, in payment (in whole or in part) of any part or all of Indebtedness, including, without limitation, the following, in such order of application as Mortgagee may elect:

- (i) to the payment of Indebtedness;
- (ii) to any amount due upon any decree entered in any suit foreclosing this Mortgage;
- (iii) to costs and expenses of foreclosure and litigation upon Mortgaged Premises;
- (iv) to the payment of premiums due on Insurance Policies, repairs, Impositions (and any interest, penalties and costs thereon) or any other lien or charge upon Mortgaged Premises which may be or

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become superior to the lien of this Mortgage or of any decree foreclosing the same; and

- (v) to the payment of all sums advanced by Mortgagee to cure or attempt to cure any Event of Default by Mortgagor in the performance of any obligation or condition contained herein, in Note, Other Loan Documents or otherwise, to protect the security provided herein and therein, with interest on such advances at Default Rate.

Any overplus of the proceeds of foreclosure sale shall then be paid to Mortgagor. This Mortgage may be foreclosed at any time against all or successively against any part or parts of the Mortgaged Premises, as Mortgagee may elect and this Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by one or any foreclosure or by one or any sale and may be foreclosed successively and in parts until all of the Mortgaged Premises shall have been foreclosed and sold. In the event of any foreclosure of the Mortgaged Premises (or commencement of or preparation for the same) in any court, all expenses of every kind paid or incurred by Mortgagee for the enforcement, protection or collection of this security, including reasonable costs, attorneys' fees, stenographers' fees, costs of advertising, title charges and other reasonable costs and expenses shall be paid by Mortgagor.

15. POSSESSORY RIGHTS OF MORTGAGEE: Upon the occurrence of an Event of Default, whether before or after the institution of legal proceedings to foreclose the lien of this Mortgage or any sale thereunder, Mortgagee shall be entitled in its sole discretion, to perform any of the following:

- (a) enter and take actual possession of the Mortgaged Premises, Leases and the rents payable pursuant thereto, personally or by its agents or attorneys and excluding Mortgagor therefrom;
- (b) with or without process of law, enter upon and take and maintain possession of all of the documents, books, records, papers and accounts of Mortgagor relating thereto;
- (c) as attorney-in-fact or agent of Mortgagor, or in its own name as Mortgagee and pursuant to the power herein granted, hold, operate, manage and control Mortgaged Premises and Leases and collect all rentals payable pursuant thereto and conduct the business, if any, thereof, either personally or by its agents, contractors or nominees, with full power to use such measures, legal or equitable, as, in its discretion, may be deemed proper or necessary to enforce the terms and conditions of Leases and the rentals payable pursuant thereto (including actions for the recovery of rents, actions in forcible detainer and actions in distress of rent);
- (d) cancel or terminate any Lease or sublease for any cause or for any reason which would entitle Mortgagor to cancel the same;
- (e) elect to disaffirm any Lease or sublease made subsequent hereto or subordinated to the lien hereof;
- (f) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Premises which, in Mortgagee's sole discretion, may seem appropriate;

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- (g) insure and re-insure the Mortgaged Premises against all risks incidental to Mortgagee's possession, operation and management thereof; and
- (h) perform such other acts in connection with the management and operation of the Mortgaged Premises as Mortgagee, in its sole discretion, may deem proper;

Mortgagor hereby granting full power and authority to Mortgagee to exercise each and every of the rights, privileges and powers contained herein at any and all times following the occurrence of an Event of Default.

Mortgagee, in the exercise of the rights and powers conferred upon it hereby, shall have full power to use and apply the rentals collected by it to the payment on account of the following, in such order as it may determine:

- (i) operating expenses of the Mortgaged Premises, including the cost of management and leasing thereof which shall include reasonable compensation to Mortgagee and its agents or contractors, if management be delegated to agents or contractors, and reasonable leasing commissions and other reasonable compensation and expenses in seeking and procuring tenants and entering into leases, established claims for damages, if any, and premiums on Insurance policies;
- (ii) Impairments, costs of repairs, decorating, renewals, replacements, alterations, additions or betterments and improvements of the Mortgaged Premises, including the cost, from time to time, of installing, replacing or repairing the Mortgaged Premises and of placing the Mortgaged Premises in such condition as will, in the reasonable judgment of Mortgagee, make the same readily rentable; and
- (iii) Indebtedness, or any part thereof.

16. OTHER REMEDIES: Whenever any Event of Default shall be existing, Mortgagee may exercise, from time to time, any rights and remedies available to it pursuant to applicable law. Mortgagor shall, promptly upon request by Mortgagee, assemble all goods, wares, merchandise, furniture, fixtures, equipment and supplies owned by it and situated on and used and useful in the operation of the Mortgaged Premises ("Personal Property") and make the same available to Mortgagee at such place or places reasonably convenient for Mortgagee and Mortgagor, as Mortgagee shall designate. Any notification required by law of intended disposition by Mortgagor of any part of the Mortgaged Premises shall be deemed reasonably and properly given if mailed as herein provided at least twenty (20) days prior to such disposition. Without limiting the foregoing, whenever an Event of Default shall exist, Mortgagee may, with respect to Personal Property, without further notice, advertisement, hearing or process of law of any kind:

- (a) notify any person obligated on Personal Property to perform, directly for Mortgagee, its obligations thereunder;
- (b) enforce collection of any part of Personal Property by suit or otherwise and surrender, release or exchange all or any part thereof or compromise, extend or renew, for any period

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(whether or not in excess of the original period), any obligations of any nature of any party with respect thereto;

- (c) endorse any checks, drafts or other writings in the name of Mortgagor to permit collection of Personal Property and control of any proceeds thereof;
- (d) enter upon any part of the Mortgaged Premises where Personal Property may be located and take peaceful possession of and remove the same;
- (e) sell any part or all of Personal Property free of all rights and claims of Mortgagor therein and thereto, at any public or private sale; and
- (f) bid for and purchase any part or all of Personal Property at any such sale.

Any proceeds of any disposition by Mortgagee of any part of Personal Property may be applied by Mortgagee to the payment of expenses incurred in connection therewith, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds shall be applied by Mortgagee to the payment of such part of Indebtedness and in such order of application as Mortgagee may, from time to time, elect. Mortgagee may exercise, from time to time, any rights and remedies available to it pursuant to the Uniform Commercial Code, other applicable laws in effect from time to time or otherwise available to it by reason of any applicable law. Mortgagor hereby expressly waives presentment, demand, notice of dishonor and protest in connection with Indebtedness and, to the fullest extent permitted by applicable law, any and all other notices, advertisements, hearings or process of law in connection with the exercise by Mortgagee of any of its rights and remedies hereunder.

Mortgagor hereby constitutes Mortgagee its attorney-in-fact, with full power of substitution to take possession of Personal Property upon the occurrence of an Event of Default hereunder, as Mortgagee, in its sole discretion (reasonably exercised) deems necessary or proper, to execute and deliver all instruments required by Mortgagor to accomplish the disposition of Personal Property, or any part thereof, which power of attorney is a power coupled with an interest, irrevocable until such time as Indebtedness is paid in full.

17. ASSIGNMENT OF LEASES AND RENTS: As additional security for payment of the Indebtedness and for the faithful performance of the terms and conditions contained herein, Mortgagor, as lessor, hereby assigns to Mortgagee the entire lessor's right, title and interest in and to all leases and subleases (including all extensions and renewals thereof) which now or hereafter affect all or any portion of the Land and in and to all rents, issues, income and profits of or from all or any portion of the Land or Improvements.

18. RELEASE: Upon payment in full of Indebtedness, at the time and in the manner herein provided, this conveyance shall be null and void and an appropriate instrument of reconveyance or release shall promptly be made by Mortgagee to Mortgagor, at Mortgagor's expense.

19. GOVERNING LAW: This Mortgage has been delivered in the State of Illinois and shall be construed in accordance with and governed by 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; however, if the same shall be prohibited by or invalid thereunder, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder thereof or the remaining provisions of this Mortgage.

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20. **NOTICES:** Any notice, consent or other communication to be given hereunder or pursuant to Other Loan Documents shall be in writing and shall be deemed received three (3) business days after the deposit thereof with the United States Postal System as first class certified or registered mail, postage prepaid, return receipt requested. All such notices, consents or other communications shall be addressed to Mortgagor and Mortgagee at their respective addresses set forth below or to such other addresses as Mortgagor, Mortgagee or such other parties, to whom copies of notices, consents or other communications are to be mailed, may direct in writing:

If to Mortgagor: Orchard/Belden L.L.C.  
300 W. Adams, Suite 601  
Chicago, Illinois 60606

If to Mortgagee: c/o Sigmund Petrovich  
5721 N. Roscoe  
Chicago, Illinois 60634

21. **BENEFIT:** All grants, conditions and provisions hereof shall apply, extend to and be binding upon Mortgagor and all persons claiming any interest in Mortgaged Premises by, through or under Mortgagor, and shall inure to the benefit of Mortgagee, its successors and assigns.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be signed on the date first above written.

ORCHARD/BELDEN L.L.C., an Illinois limited liability company

BY:   
Harold D. Kilar, Manager

BY:   
Sigmund Petrovich, Manager

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STATE OF ILLINOIS )

) SS:

COUNTY OF COOK )

I Jacquelyn J. Jasnoch, a Notary Public in and for and residing in said County, in the State aforesaid, DO HEREBY CERTIFY that HAROLD D. RIDER and SIGMUND PETROVICH, Managers of ORCHARD/BELDEN L.L.C., an Illinois limited liability company, who are 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 acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said company for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 2nd day of January, 1996.

Jacquelyn J. Jasnoch  
Notary Public

My commission expires: 2/16/99

"OFFICIAL SEAL"

Jacquelyn J. Jasnoch

Notary Public, State of Illinois  
My Commission Expires Feb. 16, 1999

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## EXHIBIT "A"

THE NORTH FOUR (4) FEET OF LOT 98 AND ALL OF LOTS 99 AND 100 HITCHCOCK'S SUBDIVISION OF THE EAST 1/2 OF BLOCK 9 IN CANAL TRUSTEES' SUBDIVISION OF THE NORTH 1/2 AND THE NORTH 1/2 OF THE SOUTHEAST 1/4 AND THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number: 14-33-109-020-0000

Address of real estate:

2256-58 North Orchard Street and 705-09 Belden Avenue  
Chicago, Illinois

This instrument was prepared by  
and return to:

Donna Head  
Gould & Ratner  
222 N. LaSalle Street  
Chicago, Illinois 60601



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