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NOTE IDENTIFIED

AS USED IN THIS DOCUMENT THE WITHIN NAMED TRUSTEE SHALL MEAN "COLE TAYLOR BANK"

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This Instrument was prepared by and after recording should be mailed to:

KEITH J. KOTCHE, ESQ.
Levato & Kotche
350 S. Schmale Road
Carol Stream, IL 60188

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (hereinafter referred to as the "Mortgage") is made this 11th day of April, 1989, between COLE TAYLOR BANK/MAIN as Trustee under a Trust Agreement dated August 27, 1987 and known as Trust Number 87-181 whose address is 350 E. Dundee Road, Wheeling, Illinois (hereinafter referred to as "Mortgagor"), and ADDISON STATE BANK, whose address is 1100 W. Lake Street, Addison, Illinois 60101 (hereinafter referred to as "Mortgagee");

WITNESSETH:

ARTICLE I

1.1 Principal Terms of the Indebtedness. The following are the principal terms of the Indebtedness (as hereinafter defined) secured by this Mortgage:

(a) The Note: The Promissory Note of even date herewith made by Mortgagor and payable to the order of Mortgagee in the principal amount of EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$850,000.00), and any and all amendments, modifications, restatements, replacements, substitutions, renewals, extensions and increases thereto.

(b) Interest Rate: Interest shall accrue and be payable at the rate and on the terms more fully set forth in the Note.

(c) Maturity Date: All of the unpaid principal balance outstanding hereunder and all unpaid interest accrued thereon shall become due and payable, if not sooner paid and if not sooner due by acceleration or otherwise on May 1, 2009.

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EXHIBIT A Legal Description

LOT ONE.....(01)
LOT TWO.....(02)

In Lynch's Resubdivision in Wheeling being a Resubdivision of part of Lot "A" in Wille's Consolidation of Land in Sections 1, 2, 11 and 12, in Township 45 North, Range 11, East of the Third Principal Meridian, according to Plan of said Lynch's Resubdivision in Wheeling registered in the Office of the Registrar of Titles of Cook County, Illinois, on April 18, 1922, as Document Number 108976L.

P/N # 03-02-416-001
002

26 Wolf
Whaly, Ill

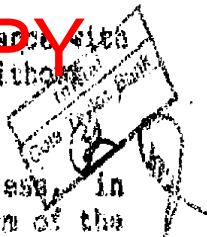
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*Maker shall have the right to prepay all of the principal balance with accrued interest thereon to the date of payment, or any time without penalty or premium, except that



(d) Prepayment. *any prepayment of the indebtedness, in whole or in part, during the first five (5) years of the term of the Note, which results from a refinancing of the indebtedness shall be accompanied by a prepayment fee equal to three percent (3%) of the unpaid principal balance of the Note as of the date of prepayment.

1. Definition of the Indebtedness: The term "Indebtedness" shall mean the principal amount of, interest payable on, and all other fees, amounts, payments, premiums, liabilities and primary obligations due or required to be paid by Mortgagor under the Note, this Mortgage, and the other Loan Documents (as hereinafter defined), or under any and all amendments, modifications, restatements, replacements, substitutions, renewals, extensions and increases thereto, whether heretofore or hereafter existing, and whether direct or indirect, absolute or contingent, and including any commitment fee, loan fee, extension fee, modification fee, prepayment fee or release fee required to be paid under the Note, this Mortgage or any of the other Loan Documents.

ARTICLE 2

OTHER DEFINITIONS

2.1 Definitions Used In This Mortgage: The following terms shall have the following meanings:

(a) Affiliated Person: Any (i) Guarantor (as hereinafter defined); (ii) if Mortgagor is a trustee, any beneficiary of the trust, including the general partners of any general or limited partnership that is a beneficiary of the trust and the joint venture partners of any joint venture that is a beneficiary of the trust; (iii) if Mortgagor is a general or limited partnership, the general partners thereof; (iv) if Mortgagor is a joint venture, the joint venture partners thereof; and (v) if Mortgagor is a corporation, the persons or entities holding the controlling shareholder interests therein.

(b) Beneficiary: Sung H. Song and Moon S. Song, his wife (hereinafter sometimes collectively referred to as the "Beneficiary"), who collectively own one hundred percent (100%) of the beneficial interest and power of direction in, to and under Cole Taylor Bank/Main as Trustee under Trust No. 87-181, dated August 27, 1987, free and clear of any lien, pledge, charge, security interest or encumbrance of any kind, except a collateral assignment of even date herewith in favor of Mortgagor.

(c) Building: The one story strip shopping center and any and all structures and improvements, and any and all additions, alterations, betterments or appurtenances thereto, now or at any time hereafter situated, placed or constructed

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upon the Real Estate legally described on Exhibit A attached hereto and made a part hereof as though fully set forth, or any part thereof.

(d) Contracts: Any and all documents, instruments, contracts or agreements pertaining to the ownership, use, occupancy, possession, development, design, construction, financing, operation, alteration, repair, marketing, sale, lease or enjoyment of the Mortgaged Property, including without limitation any contracts for labor or materials, purchase orders, service contracts, maintenance agreements, management contracts, lease agency agreements, sales agency agreements, marketing contracts, loan or financing commitments, insurance policies and surety bonds, and all rights, privileges, authority and benefits thereunder (but under no circumstances any liabilities, obligations or responsibilities thereunder).

(e) Default Rate: The rate of four percent (4%) per annum in excess of the rate of interest otherwise applicable under the terms of the Note, so that rate may be adjusted under the terms of the Note, unless prohibited by applicable law, in which event at the highest rate otherwise allowable under applicable law.

(f) Event of Default: Any event or occurrence defined in Article 7 hereof, which has not been cured within the time period, if any, allowed for curing same under this Mortgage or the other Loan Documents.

(g) Fixtures: All systems, fittings, structures, equipment, apparatus, fixtures and other improvements and items now or hereafter temporarily or permanently attached to, installed in or used in connection with any of the Building or the Real Estate, including but not limited to any and all partitions, hardware, motors, engines, boilers, furnaces, pipes, plumbing, conduit, sprinkler systems, fire extinguishing apparatus and equipment, elevator apparatus and equipment, security systems and equipment, master antennas and cable television systems and equipment, water tanks, swimming pools, heating, ventilating, air conditioning and refrigeration equipment and systems, laundry facilities, incinerating, gas and electric machinery and equipment.

(h) Guarantors: Sung H. Song and Moon S. Song, his wife (hereinafter sometimes collectively referred to as the "Guarantor").

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(i) Guaranty: That certain Guaranty of Payment and Performance of even date herewith from Guarantors to Mortgagee guaranteeing the repayment of the indebtedness and the satisfaction of, or continued compliance with, the obligations (as hereinafter defined).

(j) Impositions: (i) All general and special real estate and personal property taxes and assessments; and (ii) all water, gas, sewer, electricity and other utility costs, rates and charges; and (iii) any and all premiums and costs of insurance to be maintained hereunder pursuant to Section 5.8 hereof; and (iv) any and all fees and charges required under any easement, license or agreement maintained for the benefit of the Mortgaged Property (as hereinafter defined); (v) any and all recording costs and fees; (vi) any and all mortgage registration or intangible taxes or fees, payable in connection with this Mortgage or the recording thereof or the indebtedness secured hereby; and (vii) any and all other taxes, charges and assessments and any interest, costs or penalties with respect thereto, whether general or special, ordinary or extraordinary, foreseen or unforeseen, of any kind and nature whatsoever which at any time prior to or after the execution hereof may be assessed, levied or imposed upon the indebtedness, this Mortgage, the Mortgaged Property, the Leases, or the Rents (as hereinafter defined) or the ownership, use, occupancy, receipt or enjoyment thereof.

(k) Intangibles: All goodwill, trademarks, trade names, option rights, purchase contracts and agreements, books and records and general intangibles of the Mortgagor relating to the Mortgaged Property and all accounts, accounts receivable, contract rights, choses in action, instruments, chattel paper and other rights of the Mortgagor for payment of money for property sold or lent, for services rendered, for money lent, or for advances or deposits made, and any other intangible property of the Mortgagor related to the Mortgaged Property, including without limitation any and all rights of the Mortgagor in, to or with respect to any and all accounts maintained with the Mortgagee or any other party in which are held funds relating to the Impositions, with respect to the Mortgaged Property, and any and all of the Mortgagor's right, title and interest in and to any judgment, award, remuneration, settlement, compensation, recovery of proceeds heretofore or hereafter made by any governmental authority or insurance company, including those for any condemnation of or casualty to the Mortgaged Property, and all rights, privileges, authority and benefits therein (but under no circumstances any of the liabilities, obligations or responsibilities thereto).

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(l) Leases: Any and all leases, subleases, licenses, concessions or other agreements (written or oral, now or hereafter in effect) which grant a possessory interest in and to, or the right to use, the Mortgaged Property or any part thereof or interest therein.

(m) Loan Documents: The Commitment, the Note, this Mortgage and Security Agreement, the Assignment of Leases, the Guaranty, and any and all other documents now or hereafter executed by Mortgagor, any Affiliated Person or Guarantor or any other person or entity to evidence or secure the payment of the Indebtedness or the performance and discharge of the Obligations, and any and all amendments, modifications, restatements, replacements, substitutions, renewals, extensions and increases thereto whether heretofore or hereafter entered into in connection with the Indebtedness.

(n) Mortgaged Property: The Real Estate, Buildings, Fixtures, Personality (as hereinafter defined) and any of Mortgagor's rights to Rents (as hereinafter defined) and rights under the Leases and Contracts, together with:

- (i) Any and all rights, privileges, authority, and benefits under any lease, sublease, option, articles of agreement for deed, installment contract, or other contract or agreement pursuant to which Mortgagor is granted any possessory, legal, equitable, beneficial or other interest in the Mortgaged Property; and
- (ii) Any and all rights, privileges, tenements, hereditaments, rights of way, rights of access, riparian rights, mineral rights, homestead rights, easements, appendages and appurtenances in anyway appertaining thereto, and all right, title, and interest of Mortgagor in and to any streets, ways, alleys, waterways, strips or gores of land adjoining the Real Estate or any part thereof; and
- (iii) Any and all betterments, additions, appurtenances, substitutions, replacements and after acquired title or interests thereof and thereto and all reversions and remainders therein; and
- (iv) Any and all of Mortgagor's right, title and interest in and to any judgment, award, remuneration, settlement, compensation, recovery, or proceeds heretofore made or hereafter to be made by any governmental authority or insurance company to the present or any subsequent owner of the Mortgaged Property, including those for any condemnation of or casualty to the Mortgaged Property, or for any vacation of, or change of grade in, any

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streets serving or affecting the Mortgaged property;
and

- (v) Any and all other security and collateral of any nature whatsoever, now or hereafter given for the repayment of the indebtedness or the performance and discharge of the Obligations.

As used in this Mortgage, the term "Mortgaged Property" shall be expressly defined as meaning all, or when the context permits or requires, any portion thereof or any interest therein.

(o) Mortgagee: The above named Mortgagee and any and all successors, transferees, assignees, and subsequent owners of the Mortgaged Property.

(p) Mortgagor: The above named Mortgagor and any and all successors, transferees, assignees, and subsequent owners of the Mortgaged Property.

(q) Obligations: Any and all of the terms, covenants, conditions, warranties, representations and other obligations (other than to repay the indebtedness) made or undertaken by Mortgagor, Beneficiary, Guarantor or others to Mortgagee as set forth in any Lease, Contract or other documents or as set forth in any legal requirement to which the Mortgagor or any Guarantor may be bound or to which the Mortgaged Property may be subject.

(r) Permitted Exceptions: The easements, covenants, conditions, restrictions, building lines, and other matters (if any) reflected on, but only those reflected on, Exhibit "B" attached hereto and the liens and security interests created by the Loan Documents.

(s) Personalty: All right, title and interest of Mortgagor in and to all furniture, furnishings, equipment, machinery, goods, inventory and all other tangible personal property and the intangibles of any kind or character as defined in and subject to the provisions of the Uniform Commercial Code now or hereafter located upon, within or about the Real Estate and the Buildings.

(t) Real Estate: The land or interest in the land legally described in Exhibit "A" attached hereto, and all Buildings and Fixtures and all rights, titles and interests appurtenant thereto.

(u) Rents: All of the rents, issues, revenues, royalties, income, avails, proceeds, profits and other benefits paid or payable by parties under the Leases or otherwise generated by or derived from the Mortgaged Property.

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ARTICLE 3

GRANT

3.1 Grant: To secure the full and timely payment of the indebtedness and the full and timely performance and discharge of the obligations, Mortgagor has GRANTED, BARGAINED, SOLD, CONVEYED, AND MORTGAGED and by these presents does hereby GRANT, BARGAIN, SELL, CONVEY, AND MORTGAGE unto the Mortgagee the Mortgaged Property, subject to, but only to the Permitted Exceptions, TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee, and its successors, nominees and assigns, forever, and the Beneficiary, by directing Mortgagor to execute and deliver this Mortgage, does hereby warrant that Mortgagor is well and lawfully seized of good, absolute and indefeasible fee simple absolute title to the Mortgaged Property, free and clear of all mortgages, liens, charges, security interests and encumbrances whatsoever, except only for the Permitted Exceptions, and the Beneficiary does hereby bind itself, its successors and assigns to warrant and forever defend fee simple absolute title to the Mortgaged Property unto the Mortgagee, and the quiet and peaceful enjoyment and possession thereof, against every person whomsoever claiming or to claim the same or any part thereof or interest therein.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

Mortgagor hereby unconditionally represents and Beneficiary by executing the direction authorizing Mortgagor to execute the Loan Documents hereby unconditionally warrants to Mortgagee as follows:

4.1 Organization and Power: Beneficiary has all requisite power and all governmental certificates of authority, licenses, permits, certificates, approvals, qualifications and documentation to own, develop, lease, operate and sell its properties and to carry on its business as now being and as proposed to be conducted and to execute, deliver and perform the terms, covenants and conditions of the Loan Documents, including the power and authority to borrow money, guarantee debts and mortgage and grant security interests in its property. Beneficiaries collectively own one hundred percent (100%) of the beneficial interest and power of direction in, to and under Cole Taylor Bank/Main, as Trustee under Trust Number 87-181 dated August 27, 1987, free and clear of any lien, charge, security interest or encumbrance of any kind, unless otherwise permitted hereunder or under the Commitment.

4.2 Validity of Loan Documents: The execution, delivery and performance of the Loan Documents have been duly authorized by all necessary trust, partnership, corporate and personal action to be binding and enforceable in accordance with the respective terms thereof; (b) have received all necessary prior governmental approval.

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to be binding and enforceable in accordance with the respective terms thereof; and (c) will not violate, be in conflict with, result in a breach of or constitute (upon notice or the passage of time, or both) a default under, any document to which Mortgagor or Beneficiary may be a party or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of Mortgagor's property or assets, except as contemplated by the provisions of the Loan Documents, and the Loan Documents constitute the legal, valid and binding obligations of Mortgagor, and other obligations under the terms of the Loan Documents, and are enforceable in accordance with their respective terms.

4.3 Title to Mortgaged Property and Lien of this Instrument: Mortgagor has good and marketable fee simple absolute title to the Real Estate, Buildings and Fixtures, and good and marketable title to the Personality, free and clear of any mortgages, liens, charges, encumbrances, security interests and adverse claims whatsoever except the Permitted Exceptions, and this Mortgage constitutes a valid, subsisting, first priority lien on the Real Estate, Buildings and Fixtures and a valid, subsisting first priority security interest in and to the Personality, Leases, Contracts and Rents, all in accordance with the terms hereof.

4.4 Taxes and other Payments: Mortgagor, any Affiliated Person and Guarantor have filed all federal, state, county, municipal and city income and other tax returns required to have been filed by them and have paid all taxes which have become due pursuant to such returns or pursuant to any assessments received by them, and neither Mortgagor or Beneficiary knows of any basis for any additional assessment in respect of any such taxes.

4.5 Litigation: There are no actions, suits or proceedings pending, or to the best of Mortgagor's knowledge contemplated or threatened, against or affecting Mortgagor, any Affiliated Person or Guarantor, or the Mortgaged Property, or involving the validity or enforceability of the Mortgage or the priority of the lien and security interest thereof, and no event has occurred (including specifically Mortgagor's execution of the Loan Documents and its consummation of the loan represented thereby) which will violate, be in conflict with, result in the breach of or constitute (upon notice or the passage of time, or both) a default under, any document to which Mortgagor or Beneficiary are a party or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of Mortgagor's or any Affiliated Person's or Guarantor's property other than the lien and security interest created by the Loan Documents.

4.6 Permits and Approvals: All permits, certificates, consents, approvals and licenses (including, but not limited to, any of the foregoing related to zoning, building, utility service, sewer service, fire safety, land and water use, subdivision control, condominium property, environmental protection, occupational health and safety or flood hazard), required for or in connection with the ownership, use,

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occupancy, possession, development, design, construction, financing, operation, alteration, repair, marketing, sale, lease or enjoyment of the Mortgaged Property, or in connection with the organization, existence and conduct of the business of Mortgagor, any Affiliated Person and Guarantor, have been duly and validly issued and are and will at all times thereafter be in full force and effect, and all fees due in connection therewith have been paid.

4.7 Zoning: The Mortgaged Property is duly and validly zoned so as to permit the contemplated use, occupancy, operation and disposition of the Mortgaged Property as contemplated under the Loan Documents, and such zoning is final and unconditional and in full force and effect, and no attacks are pending or threatened with respect thereto.

4.9 No Violation of Legal Requirements: Neither the present or contemplated use, occupancy, operation or disposition of the Mortgaged Property, nor the organization, existence and conduct of the business of Mortgagor or any Affiliated Person or Guarantor violates or will then violate any legal requirement or document to which the Mortgagor or any Affiliated Person or Guarantor may be bound or to which the Mortgaged Property may be subject.

4.8 Condition of Mortgaged Property: The Building is in good quality physical order, repair and condition, is structurally sound and wind and water tight, and all plumbing, electrical, heating, ventilation, air conditioning, elevator and other mechanical systems and equipment are in good operating order, repair and condition, and neither Mortgagor nor Beneficiary is aware of any material faults or defects in the physical condition of the Mortgaged Property or its mechanical systems and equipment.

6.20 Financial and Other Information: Neither this Mortgage nor any document, financial statement, credit information, certificate, operating statement, or other statement furnished to Mortgagee by Mortgagor, Beneficiary, Guarantor or any other person, either pursuant to the terms and provisions of this Mortgage or in connection with the Loan Documents, contains or will contain any untrue statement of a material fact or omits or will omit to state a fact material to the submitted document or to the Mortgaged Property. The financial and operating information reflected on the statements that were submitted to Mortgagee is in all material respects true and correct. Said financial and operating statements, and any other financial and operating statements heretofore or hereafter submitted to Mortgagee, have been or shall be prepared in accordance with generally accepted accounting principles consistently applied, do or shall accurately present the financial condition of the persons, entities or operations reflected on said financial and operating statements as of the dates thereof, and do or shall reflect all known liabilities of said persons whether contingent or other, as of such dates. Since the dates of said financial and operating statements, there have been no material changes in the assets, liabilities, financial condition, business or properties of said persons, entities or operations (other than changes in the ordinary course of business, which changes, individually or in the aggregate, have not been materially adverse).

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4.11 No Brokerage Commissions: No brokerage fees or commissions are payable in connection with the Loan to be disbursed by Mortgagee hereunder, except for the Loan Fees payable to Mortgagee set forth in the Commitment.

4.12 Business Purpose: The loan provided for herein constitutes a business loan within the meaning of Section 4(1)(c) of Paragraph 64(4), Chapter 17 of the Illinois Revised Statutes. The interest and other charges provided in this Agreement, the Note, the Mortgage and other Loan Documents are not usurious under applicable law.

ARTICLE 5

AFFIRMATIVE COVENANTS

Mortgagor hereby unconditionally covenants and agrees with Mortgagee as follows:

5.1 Payment and Performance: Mortgagor shall pay or cause to be paid the Indebtedness, as and when all or any payment thereunder is due under the Note, this Mortgage or the Loan Documents on or before the due dates thereof, and shall perform or cause to be performed all of the Obligations in full on or before the dates the Obligations or any part thereof are required to be performed and shall commit or suffer no act or event which (upon notice or the passage of time, or both) would constitute a default of the Obligations.

5.2 Compliance with Legal Requirements: Mortgagor and Beneficiary shall promptly and faithfully comply with, conform to and obey all present and future legal requirements whether or not same shall necessitate structural changes in, improvements to, or interfere with the use or enjoyment of, the Mortgaged Property and shall not commit or suffer any act or event which (upon notice or the passage of time, or both) would constitute a default of the Legal Requirements.

5.3 First Lien Status: Mortgagor shall protect the First priority lien and security interest of this Mortgage and the Loan Documents and shall not place, or permit to be placed, or otherwise mortgage, pledge, hypothecate or encumber the Mortgaged Property with, or any other lien, attachment, levy or security interest of any nature whatsoever (whether mechanics, judgment, tax, statutory, constitutional, contractual or other) regardless of whether same is allegedly or expressly subordinate and inferior to the liens and security interests created by this Mortgage and the Loan Documents, and if any such lien or security interest is asserted against the Mortgaged Property, or any Affiliated Person's interest therein or interest in Mortgagor or Beneficiary, Mortgagor shall promptly, and at its own cost and expense, pay the underlying claim in full or take such other action so as to cause same to be immediately released.

5.4 Payment of Impositions: Mortgagor shall duly pay and discharge, or cause to be paid and discharged the Impositions, not later than the due date thereof, or the date any fine, penalty,

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interest or cost may be added thereto or imposed, or the date any lien may be filed for the nonpayment thereof (if such date is used to determine the due date of the respective item); provided however, that Mortgagor may, if permitted by law and if such installment payment would not create or permit the filing of a lien against the Mortgaged Property, pay the Impositions in installments.

5.5 Preservation and Maintenance of Property. Borrower (a) shall not waste or permit impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, and (d) shall give notice in writing to lender of and, unless otherwise directed by lender, appear in and defend any action or proceeding purporting to affect the Property, the security of this Mortgage or the rights or powers of Lender.

5.6 Taxes: The Mortgagor will pay when due and before any penalty attaches, all general and special taxes, assessments, water charges, sewer charges and other fees, taxes, charges and assessments of every kind and nature whatsoever (all hereinafter collectively referred to as "Taxes"), whether or not assessed against the Mortgagor, if applicable to the Mortgaged Property or any interest therein, or the indebtedness hereby secured, or any obligation or agreement secured hereby; and Mortgagor will, upon written request, furnish to the Mortgagee duplicate receipts thereof; provided that (a) in the event that any law or court decree has the effect of deducting from the value of land for purposes of taxation lien thereon, or imposing upon the Mortgagee the payment in whole or any part thereof the taxes or liens herein require to be paid by Mortgagor or changing in any way the liens relating to the taxation of mortgages or debts secured by Mortgagee or the interest of the Mortgagee in the Mortgaged Property or the manner of collection of Taxes, so as to effect this Mortgage or the indebtedness herein secured or the holder thereof.

5.7 Performance of Leases: Mortgagor shall (a) duly and punctually perform and comply with any and all representations, warranties, covenants and agreements expressed as binding upon it under each of the Leases; (b) use all efforts necessary to maintain each of the Leases in force and effect during the full term thereof; (c) appear in and defend any action or proceeding arising under or in any manner connected with any of the Leases or the representations, warranties, covenants and agreements of it or the other party or parties thereto; and (d) otherwise perform and fully comply with the terms, covenants and conditions of that certain Assignment of Leases, Rents and Profits of even date herewith executed by Mortgagor and Beneficiary regarding the Leases.

5.8 Insurance: Mortgagor will procure for, deliver to and maintain for the benefit of the Mortgagee during the term of this Mortgage, all insurance required by Mortgagee, including, without limitation, a policy or policies as follows:

- (1) Casualty insurance insuring the Mortgaged Property against loss or damage by fire, lightning, windstorm, hail,

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explosion, aircraft, smoke damage, sprinkler leakage, vehicle damage, vandalism, malicious mischief, all other perils insured against under "extended coverage" or "all risk" policies, and such other insurable perils or affording such other or additional coverage as from time to time may be required by the Mortgagee for one hundred percent (100%) of the full insurable replacement value of the Mortgaged Property, without reduction for depreciation and including coverage for debris removal; and

- (ii) Comprehensive general public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Mortgaged Property and the adjoining streets, sidewalks and passageways, and affording protection in such amounts as are required under Mortgagee's insurance guidelines, but in no event less than \$3,000,000 single limit coverage; and
- (iii) Rent and rental value insurance (or, at the discretion of Mortgagee, business interruption insurance) in amounts sufficient to compensate during any period of up to one year in which the Mortgaged Property may be damaged or destroyed for all rents and income derived from the Mortgaged Property, and all amounts (including, but not limited to, all debt service and Impositions) required herein to be paid by the Mortgagor or by tenants of the Mortgaged Property; and
- (iv) Broad form boiler and machinery insurance on all equipment and objects customarily covered by such insurance (if any are located on the Mortgaged Property), providing for full repair and replacement cost coverage; and
- (v) During the period of any renovations, alteration or construction to the Mortgaged Property, a so-called "Builder's Risk-All Risk Completed Value" policy and Workmen's Compensation insurance covering all persons engaged in such renovation, alteration or construction; and
- (vi) Federal Flood Insurance in the maximum obtainable amount, but in no event less than the amount of the Indebtedness, if the Mortgaged Property is in a "flood plain area" as defined by the Federal Insurance Administration pursuant to the Federal Flood Disaster Protection Act of 1973, as amended; and
- (vii) If any part of the Mortgaged Property is now or hereafter used for the sale or dispensing of beer, wine, spirits or any other alcoholic beverages, so-called "Dram Shop" or "Innkeeper's Liability" insurance against claims or liability arising directly or indirectly to persons or property on account of such sale or dispensing of beer, wine, spirits or other alcoholic beverages, including in such coverage loss of means of support, all in amounts as may be required by law or as the Mortgagee may specify, but in no event less than \$3,000,000 single limit coverage; and

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(viii) Such other insurance of the types and in such amounts as Mortgagee may require, but in any event not less than that customarily carried by persons owning or operating like properties.

All policies of insurance to be maintained and provided as required by this Article 5.8 shall be in forms, companies and amounts reasonably satisfactory to Mortgagee, and all policies of casualty insurance shall have attached thereto mortgagees clauses and/or endorsements in favor of and with loss payable to Mortgagee. In addition, all policies of insurance herein required shall contain endorsements that no act of negligence of the insured or any occupant and no occupancy or use of the Mortgaged Property for purposes more hazardous than permitted by the terms of the policies will affect the validity or enforceability of such policies as against Mortgagee, be written in amounts sufficient to prevent Mortgagor from becoming a co-insurer, and provide for thirty (30) days prior written notice of cancellation to Mortgagee. Mortgagor will deliver all policies, including additional and renewal policies to Mortgagee, and in case of insurance policies about to expire, the Mortgagor will deliver renewal policies not less than thirty (30) days prior to the respective dates of expiration. Mortgagor shall also, upon request of Mortgagee, deliver to Mortgagee duplicate copies of receipts evidencing the payment of the premiums on said policies.

5.9 Funds for Taxes, Insurance and Other Charges. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the date monthly installments of interest and principle are payable under the Note (or on another day designated in writing by Lender), until the Note is paid in full, a sum (hereinafter referred to as the "Funds") equal to one-twelfth of (a) the yearly taxes and assessments which may be levied on the Property, and (b) the yearly premium installments for liability insurance, as Lender may require pursuant to paragraph 2.5 hereof, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Any waiver by Lender of a requirement that Borrower pay such Funds may be revoked by Lender, in Lender's sole discretion, at any time upon notice in writing to Borrower. Lender may require Borrower to pay to Lender, in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Borrower or the Property which Lender shall deem necessary to protect Lender's interests (hereinafter referred to as "Other Impositions"). Unless otherwise provided by applicable law, Lender may require Funds for Other Impositions to be paid by Borrower in a lump sum or in periodic installments, at Lender's option.

The Funds shall be held in an institution(s) the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and Other Impositions so long as Borrower is not in breach of any covenant or agreement of Borrower in this Mortgage. The Funds are pledged as additional security for the sums secured by this Mortgage.

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If the amount of the Funds held by Lender shall exceed the amount deemed necessary by Lender to provide for the payment of taxes, assessments, insurance premiums, and Other Impositions as they fall due, such excess shall be credited to Borrower on the next installment or installments of Funds due. If at any time the amount of the Funds held by Lender shall be less than the amount deemed necessary by Lender to pay taxes, assessments, insurance premiums, and Other Impositions as they fall due, Borrower shall pay to Lender an amount necessary to make up the deficiency within ten days after notice from Lender to Borrower requesting payment thereof.

Upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, Lender may apply, in any amount and in any order as Lender shall determine in Lender's sole discretion, any Funds held by Lender at the time of application (i) to pay taxes, assessments, insurance premiums and Other Impositions which are now or will hereafter become due, or (ii) as a credit against sums secured by this Mortgage. Upon payment in full of all sums secured by this Mortgage, Lender shall refund to Borrower any Funds held by Lender.

5.10 Adjustment of Losses with Insurer and Application of Proceeds of Insurance: In the event of loss or damage, Mortgagor shall give immediate written notice to the insurance company and the Mortgagee. If no Event of Default is then existing hereunder or under the other Loan Documents and the amount of loss or damage is equal to or less than Thirty Thousand Dollars (\$30,000.00) for physical damage to the Mortgaged Property, then Mortgagor shall have the option to file all proofs of loss and to collect all proceeds of insurance provided the same are used by Mortgagor for the immediate repair, replacement or restoration of the Mortgaged Property to a condition equal to or better than that which it enjoyed immediately prior to the loss. In such circumstances such insurance proceeds shall be payable directly to Mortgagor alone. If an Event of Default is existing hereunder or if the amount of the loss or damage exceeds thirty Thousand Dollars (\$30,000.00), Mortgagor hereby authorized and empowers Mortgagee as attorney-in-fact for Mortgagor, to make proof of loss, to adjust and compromise any claim under the insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Mortgagee's costs and expenses, including attorneys' fees, incurred in the collection of such proceeds, and each insurance company is hereby authorized and directed to make payment for such loss or damage directly to Mortgagee alone instead of to Mortgagor and instead of to Mortgagor and Mortgagee jointly; provided, however, that nothing contained in this Paragraph 5.10 shall require Mortgagee to incur any expense or take any action hereunder. In the event Mortgagee does not proceed to make or file proofs of loss or damage within the time limits set forth in the insurance policies, then Mortgagor shall be entitled to do so and to adjust or compromise any loss; provided, however, that even in such event, the insurance company shall nevertheless make such payment directly to Mortgagee alone. In the event of loss or damage in excess of Thirty Thousand Dollars (\$30,000.00), Mortgagee shall have the option of applying the balance of such insurance proceeds, after deducting therefrom Mortgagor's costs and expenses incurred in the collection thereof, as

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a credit on the Indebtedness, whether then matured or to mature in the future, in such order of application as Mortgagee shall determine in its discretion, unless each of the following terms and conditions shall be satisfied in full:

(i) No Event of Default is then existing or occurs hereunder or under the other Loan Documents; and

(ii) The Mortgaged Property can, in Mortgagee's judgment and discretion with diligent rebuilding, restoration or repair, be returned to a condition as existed immediately prior to the loss at least six (6) months prior to the Maturity Date; and

(iii) The amount of such insurance proceeds, after deduction of the Mortgagee's costs and expenses incurred in the collection thereof, plus such additional funds as are immediately deposited by Mortgagor with Mortgagee, are sufficient to pay for such repair, rebuilding and restoration in full; and

(iv) during the period of rebuilding, rent loss or business interruption insurance or other funds provided by Mortgagor are and shall be available and are and shall be sufficient and used to continue to make timely and full payment of all amounts becoming due and payable under the Note and Loan Documents; and

(v) Mortgagor shall as soon as practicable thereafter commence the rebuilding, restoration and repair of the Mortgaged Property pursuant to plans and specifications approved by Mortgagee, and shall prosecute the same with diligence and without delay so that the same are completed within six (6) months from the date of loss.

If all of the foregoing terms and conditions have been and continue to be fulfilled, then Mortgagee agrees to make the balance of such proceeds, after deduction of Mortgagee's costs and expenses of collection thereof, available for such rebuilding, restoration and repair, in accordance with Paragraph 5.11 hereof. If the Mortgaged Property is destroyed; or if an Event of Default shall occur hereunder or under the other Loan documents; or if Mortgagor shall fail to fulfill any of the terms and conditions set forth above, then the balance of such insurance proceeds, after deduction of Mortgagee's costs and expenses of collection thereof, shall be applied as a credit to the Indebtedness and if the same are not sufficient to pay such Indebtedness in full, then Mortgagee shall have the right and option to declare the balance remaining unpaid to be immediately due and payable, without liability for any prepayment fee.

5.11 Application of Insurance Proceeds to Repair: If the proceeds of the insurance described in Paragraph 5.8 hereinabove are available to be used for restoration, repair or replacement (hereinafter referred to as the "Work") of the Mortgaged Property by reason of the terms and conditions of Paragraph 5.10 hereof, such proceeds shall be paid out by Mortgagee from time to time to Mortgagor (or, at the option of Mortgagee, jointly to Mortgagor and the persons furnishing labor and/or material incident to such restoration, repair or replacement or directly to such persons) as the Work progresses,

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subject to the following conditions: (a) an architect or engineer, approved by Mortgagee, shall be retained by Mortgagor (at Mortgagor's expense) and charged with the supervision of the Work; (b) each request for payment by Mortgagor shall be made on ten (10) days, prior written notice to Mortgagee and shall be accompanied by a certificate to be made by the architect or engineer, supervising the Work stating, among such other matters as may be reasonably required by Mortgagee that: (i) all of the Work completed has been done in compliance with the approved plans and specifications (ii) the sum requested is justly required to reimburse Mortgagor for payments by Mortgagor to, or is justly due to the contractor, subcontractors, materialmen, laborers, or other persons rendering services or materials for the Work (iii) when added to all sums previously paid out by Mortgagor, the sum requested does not exceed the value of the Work done to the date of such certificate; and (iv) the amount of insurance proceeds remaining in the hands of Mortgagee will be sufficient on completion of the Work to pay for the same in full; (c) each request shall be accompanied by waivers of lien satisfactory in form and substance to Mortgagee covering that part of the Work for which payment or reimbursement is being requested and by a search prepared by a title company or licensed abstractor or by other evidence satisfactory to Mortgagee that there has not been filed with respect to the Mortgaged Property any mechanic's lien or other lien, affidavit or instrument asserting any lien or any lien rights with respect to the Mortgaged Property; (d) there has not occurred any Event of Default since the hazard, casualty or contingency giving rise to payment of the insurance proceeds and (e) in the case of the request for the final disbursement, such request is accompanied by a copy of any Certificate of Occupancy or other certificate required to render occupancy of the damaged portion of the Mortgaged Property lawful. If, upon completion of the Work, any portion of the insurance proceeds has not been disbursed to Mortgagor Mortgagee may, at its option, disburse such balance to Mortgagor or apply such balance toward the payment of the Indebtedness. Nothing herein shall be interpreted to prohibit Mortgagee from (y) withholding from each such disbursement ten (10%) percent of the amount otherwise herein provided to be disbursed, and from continuing to withhold such sum, until the time permitted for perfecting liens against the Mortgaged Property has expired or the potential lien claimant has delivered a final lien waiver with respect thereto, or (z) applying at any time the whole or any part of such insurance proceeds to the curing of any Event of Default.

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5.12 Inspection: Beneficiary shall permit Mortgagee and its agent, representatives and employees, to inspect the Mortgaged Property, and all books, records and documents pertaining thereto and to Beneficiary and any Guarantor at all reasonable times.

5.13 Changes in Law Regarding Taxation: It is expressly agreed by the parties hereto that in case the United States, or any state, or any political subdivision shall hereafter enact any law imposing a tax on notes, bonds, or other evidences of indebtedness secured by mortgages of real estate, or in case the laws of the United States or any state or political subdivision shall be in any way changed, as a result of which Mortgagee may become chargeable with the payment of any tax upon the Indebtedness or this Mortgage, then and in any such event Mortgagor covenants and agrees to pay to the Mortgagee, within

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thirty (30) days after written notice thereof, the amount of any such tax. In default of such payment, or if, in the opinion of counsel for Mortgagee, it might be unlawful for Mortgagor to be required to make such payment or the payment of such tax might be construed as the imposition of interest beyond the maximum amount permitted by applicable law, then in such event the whole of the Indebtedness hereby secured shall, at the option of the Mortgagee, become immediately due and payable upon Mortgagee's demand, without liability for any prepayment fee.

5.14 Hazardous Materials. Mortgagor represents, and Beneficiary warrants and covenants to Mortgagee that the Mortgaged Property shall be kept in first class operating order, repair and condition and no waste shall be committed or permitted thereon. Among other things, first class conditions shall include keeping the Property free of "Hazardous Materials". Hazardous Materials, for purposes of this Agreement, means and includes any material specifically defined as such in (or for purposes of) the Comprehensive Environmental Response Compensation and Liability Act, and so-called "Superfund" or "Superfund" law or any other federal, state or local statute, law or ordinance, code, rule, order or regulation regulating, now or hereafter relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, and specifically identified and known to be a hazardous, toxic or dangerous waste, substance or material. There are no Hazardous Materials presently located in or near the Mortgaged Property; the Mortgaged Property is not now being used, nor has it ever been used in the past for any activities involving the use, generation, storage, treatment or disposal of any Hazardous Materials, and no Hazardous Materials will be placed or permitted to be placed on or near the Mortgaged Property.

ARTICLE 6

NEGATIVE COVENANTS

Mortgagor hereby covenants and agrees with Mortgagee that, until the entire Indebtedness shall have been paid in full and all of the Obligations shall have been fully performed and discharged:

6.1 Use Restrictions: Mortgagor shall not use, maintain, operate or occupy or allow the use, maintenance, operation or occupancy of, the Mortgaged Property in any manner which would (a) violate any legal requirement; (b) be dangerous unless safeguarded as required by law; (c) constitute a public or private nuisance; (d) make void, voidable or cancellable, or increases the premium of, any insurance then in force with respect thereto, or (e) alter the current use and occupancy of the Mortgaged Property.

6.2 Replacement of Fixtures and Personality: Mortgagor shall not, without the prior written consent of Mortgagee, permit any of the Fixtures or Personality to be removed at any time from the Real Estate of Buildings unless the removed item is removed temporarily for maintenance and repair or, if removed permanently, is replaced by an article of equal suitability and value, owned by Mortgagor, free and

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clear of any lien or security interest except such as may be first approved in writing by Mortgagee.

6.3 Maintenance of Mortgagor's and Affiliated Persons' Interests; Restrictions On Transfer and Financing: Mortgagor and the Affiliated Persons are entities owned and controlled by persons or entities experienced in borrowing money and owning and operating property such as the Mortgaged Property, and Mortgagor and the Affiliated Persons were ably represented by a licensed attorney in the negotiation and documentation of the Indebtedness secured hereby and bargained at arm's length and without duress for all of the terms and conditions of the Loan Documents, including this provision. In determining whether to provide the financing secured by this Mortgage and the Loan Documents, Mortgagee examined and analyzed the creditworthiness of Mortgagor and the Affiliated Persons, approved their creditworthiness and relied and continues to rely upon their creditworthiness as the means of repayment of the Indebtedness. Mortgagee also evaluated the background, experience and reputation of Mortgagor and the Affiliated Persons in owning, developing and operating property such as the Mortgaged Property, approved them on the basis of such background, experience and reputation and relied and continues to rely upon such background, experience and reputation as a means of maintaining the value of the Mortgaged Property, which is Mortgagee's security for repayment of the Indebtedness. Mortgagor and the Affiliated Persons hereby further acknowledge and recognize that Mortgagee is entitled to keep its loan portfolio at current interest rates by either making new loans at then current rates or by collecting assumption fees and/or increasing the applicable interest rate, when the property securing an indebtedness is purchased by a party other than the original mortgagor. Mortgagor and the Affiliated Persons further acknowledge and recognize that any secondary, junior or subordinate financing placed upon the Mortgaged Property or any part thereof or interest therein, or in any interest in Mortgagor or any Affiliated Person in connection with the Mortgaged Property, (a) may divert funds which would otherwise be used to pay the indebtedness secured hereby; (b) could result in acceleration and foreclosure by any such junior mortgagee or junior lien or encumbrance holder, which would force Mortgagee to take measures and incur expenses to protect its security; (c) would detract from the value of the Mortgaged Property should a junior mortgagee or junior lienholder come into possession or ownership thereof with the intention of selling same; and (d) impair Mortgagee's right to accept a deed in lieu of foreclosure in whole or partial settlement of the Indebtedness, because a foreclosure by Mortgagee would be necessary to extinguish the rights of any junior mortgagee or junior lien or encumbrance holder to clear title to the Mortgaged Property. Accordingly, and for the purposes of (i) protecting Mortgagee's security, both of repayment by Mortgagor and of the value of the Mortgaged Property; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) allowing Mortgagee to maintain its loan portfolio at then current interest rates and/or collect assumption fees; and (iv) keeping the Mortgaged Property free of junior or subordinate mortgages, liens or other interests, Mortgagor hereby covenants and agrees that if this paragraph be deemed a restraint on alienation, that it is a reasonable one, and that any sale, conveyance, assignment, further encumbrance or other transfer of title to the Mortgaged Property or any part thereof

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or interest therein, or any interest in Mortgagor or any Affiliated Person, whether legal or equitable, whether voluntary or by operation of law, without the Mortgagee's prior written consent shall constitute an Event of Default hereunder. For the purpose of, and without limiting the generality of, the preceding sentence, it shall be deemed to be an unpermitted transfer and therefore an Event of Default hereunder, giving Mortgagee the rights and remedies at its election under Article 3 hereof, if without Mortgagee's prior written consent:

(a) Mortgagor shall sell, convey, assign, or alien the Mortgaged Property or any part thereof or interest therein or enter into any contract, agreement, installment contract, articles of agreement, for deed, commitment or option to do so; or

(b) Mortgagor shall create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any mortgage, pledge, lien, attachment, levy (whether mechanics, judgment, tax, statutory, constitutional, contractual or other), security interest, encumbrance or charge on, or conditional sale or other title retention agreement with respect to the Mortgaged Property or any portion thereof or interest therein, regardless of whether same is allegedly or expressly subordinate and inferior to the liens and security interests created by this Mortgage and the Loan Documents; or

(c) any Affiliated Person shall sell, assign, transfer, convey, alien, pledge, hypothecate, mortgage, grant a security interest in, or alter in any way any interest it holds in the Mortgagor or the Mortgaged Property (whether in the form of a beneficial or general or controlling partnership interest therein, or in the form of a power of direction, control or management, or otherwise) or in any entity which holds an interest in the Mortgagor or enter into any contract, agreement, installment contract, articles of agreement, commitment or option to do so; or

(d) The Mortgaged Property or any part thereof or interest therein shall be leased, by a master lease or ground lease, except as may otherwise be expressly permitted under the Loan Documents.

Any consent by the Mortgagee, or any waiver of an Event of Default, under this paragraph shall not constitute a consent to, or waiver of any rights, remedy or power of the Mortgagee upon a subsequent Event of Default under this paragraph.

ARTICLE 7

EVENTS OF DEFAULT

The term "Event of Default," as used in the Loan Documents, shall mean the occurrence of happening, at any time and from time to time, of any one or more of the following:

7.1 Payment of Indebtedness: If Mortgagor shall fail, refuse or neglect to pay, in full, any installment or portion of the

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Indebtedness, whether of principal, interest or any other amount, as and when the same shall become due and payable, or if the indebtedness is not paid in full at the Maturity Date thereof stipulated in the Loan Documents, or at a date fixed for prepayment, or by acceleration or otherwise.

7.2 Performance of Obligations: If Mortgagor shall fail, refuse or neglect to perform and discharge fully any of the Obligations as and when required under the Loan Documents and such failure, refusal or neglect shall either be incurable or, if curable, shall remain uncured for a period of ten (10) days after written notice thereof from Mortgagee to Mortgagor.

7.3 False Representation: If any representation or warranty made by Mortgagor or by any Affiliated Person or Guarantor or others in, under or pursuant to the Loan Documents shall be false or misleading in any material respect or if any material inaccuracy shall exist in any of the financial statements, operating information or other information furnished to Mortgagee in connection with the Loan Documents to induce Mortgagee to enter into the Loan Documents.

7.4 Failure to Notify Mortgagee of Default or False Representation: If Mortgagor or any Affiliated Person or Guarantor shall fail to notify Mortgagee in writing as soon as practically upon learning that any representation or warranty made by Mortgagor or by any Affiliated Person or Guarantor to Mortgagee is false or misleading in any material respect or upon learning of the occurrence of any event which with the passage of time or the giving of notice or both would constitute an Event of Default under the Loan Documents.

7.5 Unpermitted Transfer: If Mortgagor or any Affiliated Person or Guarantor shall make any unpermitted transfer or financing.

7.6 Judgment: If any judgment for the payment of money in shall be rendered against Mortgagor or any Affiliated Person or Guarantor or if any writ, attachment, levy, citation, lien or distress warrant shall be issued against the Mortgaged Property or any part thereof or interest therein.

7.7 Voluntary Bankruptcy: If Mortgagor or any Affiliated Person or Guarantor (a) shall voluntarily be adjudicated a bankrupt or insolvent; or (b) shall seek, consent to or not contest the appointment of a receiver or trustee for itself or for all or any part of its property; or (c) shall file a petition seeking relief under any bankruptcy, insolvency, arrangement, reorganization, receivership, or other debtor relief laws of the United States or any state or any other competent jurisdiction.

7.8 Involuntary Bankruptcy: If (a) a petition is filed against Mortgagor or any Affiliated Person or Guarantor seeking relief under any bankruptcy, insolvency, arrangement, reorganization, receivership, or other debtor relief law of the United States or any state or other competent jurisdiction; or (b) a court of competent jurisdiction enters an order, judgment or decree appointing, with or without the consent of Mortgagor or any Affiliated Person or Guarantor, a receiver or trustee for it, or for all or any part of its property, and such

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petition, order, judgment or decree shall not be stayed within ten (10) days after the entry thereof or shall not be dismissed within thirty (30) days after the entry thereof.

7.9 Death or Incompetence of any Beneficiary: If any Guarantor or Beneficiary dies or is adjudicated incompetent, or if any order is entered appointing any trustee, conservator, or receiver, or is entered approving the petition in any such proceedings; or if any incompetency proceeding or proceeding for the appointment of a trustee, conservator, or receiver is filed by any third party against any beneficiary.

ARTICLE 2

DEFAULT AND FORECLOSURE

8.1 Remedies: If an Event of Default shall occur, Mortgagee shall have the right and option, at Mortgagee's election and by or through a Trustee or nominee or assignee or otherwise, to exercise any or all of the following rights, remedies and recourses, either successively or concurrently:

(a) **Acceleration:** Declare the unpaid principal balance of the Note, the accrued interest and any other accrued but unpaid portion of the Indebtedness to be accelerated, without further notice, presentment, protest, demand or action of any nature whatsoever (each of which is hereby expressly waived by Mortgagor), whereupon the same shall become immediately due and payable.

(b) **Entry on Mortgaged Property:** Enter upon the Mortgaged Property, without force or with such force as is permitted by law, and without notice or process or with such notice or process as is required by law, unless such notice or process is waivable, in which case Mortgagor hereby waives such notice and process, and take exclusive possession thereof and of all books, records and accounts relating thereto. If Mortgagor fails to surrender possession of the Mortgaged Property and remains in possession of any part thereof after an Event of Default and without Mortgagee's prior written consent thereto, Mortgagee may invoke and all legal rights and remedies to dispossess Mortgagor, including specifically self-help, to the extent permitted by law, or one or more actions for forcible entry and detainer, action to try title and writ of restitution. Nothing contained in the foregoing sentence shall, however, be construed to impose any greater legal obligation or any additional legal prerequisites to acquiring possession of the Mortgaged Property after an Event of Default than would have existed under applicable law in the absence of such sentence, and to the extent any such legal obligation or prerequisite is waivable, Mortgagor hereby waives such obligation and prerequisite.

(c) **Appointment of Trustee or Receiver:** Upon, or at any time prior or after, initiating the exercise of any power of sale or instituting any foreclosure of the liens and security interests provided for herein or any other legal proceedings hereunder, make application to a court of competent jurisdiction as a matter of strict

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right and without notice to Mortgagor and without regard to the adequacy of the Mortgaged Property for the repayment of the Indebtedness, for appointment of a receiver of the Mortgaged Property, and Mortgagor does hereby irrevocably consent to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to hold, develop, rent, lease, manage, maintain, operate, and otherwise use or permit the use of the Mortgaged Property upon such terms and conditions as said Trustee or Receiver may deem to be prudent and reasonable under the circumstances as more fully set forth in Paragraph 8.2 below, and shall apply such Rents thereby received in accordance with the provisions of Paragraph 8.3 below.

(d) Operation of Mortgaged Property: Hold, develop, rent, lease, manage, maintain, operate or otherwise use or permit the use of the Mortgaged Property, either by itself or by other persons, firms or entities, in such manner, for such time and upon such other terms and conditions as Mortgagee may deem to be prudent and reasonable under the circumstances as more fully set forth in Paragraph 8.2 below, and apply all Rents and other amounts collected by Mortgagee in connection therewith in accordance with the provisions of Paragraph 8.3 below.

(e) Power of Sale: To the extent permitted and pursuant to the procedures provided by applicable law, exercise such power of sale as may be provided by applicable law, and sell or offer for sale the Mortgaged Property in such portions, order and parcels as Mortgagee may determine, with or without having first taken possession of same, to the highest bidder at public auction. Such sales shall be made in accordance with the Legal Requirements therefor for the state in which the Mortgaged Property is located, including, to the extent there relevant, the Uniform Commercial Code there in effect. Nothing contained in this Paragraph 8.1(e) shall be construed to limit in any way Mortgagee's rights to sell the Mortgaged Property by private sale if, and to the extent that, such private sale is permitted under the laws of the state where the Mortgaged Property is located or by public or private sale after entry of a judgment by any court of competent jurisdiction ordering same. At any such sale (i) whether made under the power herein contained, any other Legal Requirement or by virtue of any judicial proceedings or any other legal right, remedy or recourse, it shall not be necessary for Mortgagee to have physically present, or to have constructive possession of, the Mortgaged Property (Mortgagor hereby covenanting and agreeing to deliver to Mortgagee any portion of the Mortgaged Property not actually or constructively possessed by Mortgagee immediately upon demand by Mortgagee), and the title to and right of possession of any such property shall pass to the purchaser thereof as completely as if the same had been actually present and delivered to purchaser at such sale; and (ii) each instrument of conveyance executed by Mortgagee shall contain a general warranty of title, binding upon Mortgagor; and (iii) each and every recital contained in any instrument of conveyance made by Mortgagee shall conclusively establish the truth and accuracy of the matters recited therein, including, without limitation, nonpayment of the Indebtedness, advertisement and conduct of such sale in the manner provided herein and otherwise by law and appointment of any successor Mortgagee hereunder; and (iv) any and all prerequisites to the validity thereof shall be conclusively presumed to have been

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performed; and (v) the receipt of Mortgagee or of such other party or officer making the sale shall be a sufficient discharge to the purchaser or purchasers for his or their purchase money and no such purchaser or purchasers, or his or their assigns or personal representatives, shall thereafter be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication or non application thereof; and (vi) to the fullest extent permitted by law, Mortgagee shall be completely and irrevocably divested of all of its right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Mortgagor, and against any and all other persons claiming or to claim the property sold or any part thereof, by, through or under Mortgagee; and (vii) to the extent and under such circumstances as are permitted by law, Mortgagee may be a purchaser at any such sale. The Mortgaged Property may be sold in one or more parcels in such manner and order as Mortgagee, in its sole discretion, may elect, it being expressly understood and agreed that the right of sale existing out of any Event of Default shall not be exhausted by any one or more sales.

(f) Full or Partial Foreclosure: Pursuant to the procedures provided by applicable law, institute and prosecute foreclosure proceedings with respect to the Mortgaged Property; or, if Mortgagee so elects, institute foreclosure procedures only with respect to a portion of the Indebtedness or the Mortgaged Property (such partial proceeding being hereinafter referred to as a partial foreclosure). Mortgagor agrees that sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the remainder of the secured Indebtedness, but as to such remainder this mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this Paragraph. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Mortgagee may elect at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate the entire secured Indebtedness by reason of any Event of Default upon which such partial foreclosure was predicated or by reason of any other Event of Default, and proceed with full foreclosure proceedings. It is further agreed that several foreclosure sales may be made pursuant to partial foreclosures without exhausting the right of full or partial foreclosure sale for any remainder of the secured Indebtedness, it being the purpose hereof to provide for a partial foreclosure sale of the secured Indebtedness without exhausting the power to foreclose and to sell the Mortgaged Property, pursuant to any such partial foreclosure for any other part of the secured Indebtedness whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure.

(g) Other: Exercise any and all other rights, remedies and recourses granted under Note and/or other the Loan Documents or now or hereafter existing in equity or at law, by virtue of statute or otherwise.

8.2 Right and Authority of Receiver or Mortgagee in The Event of Default, Power of Attorney: Upon the occurrence of an Event of Default hereunder and entry upon the Mortgaged Property pursuant to

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paragraph 8.1(b) hereof or appointment of a Trustee or Receiver pursuant to Paragraph 8.1(c) hereof, and under such terms and conditions as may be deemed prudent and reasonable under the circumstances, all at Mortgagor's expense, Mortgagee or said Trustee or Receiver, as the case may be, may do or permit any one or more of the following, successively or concurrently; (a) enter upon and take possession and control of the Mortgaged Property; (b) take and maintain possession of all documents, books, records, papers and accounts related to the Mortgaged Property; (c) exclude Mortgagor, its agents and employees, wholly from the Mortgaged Property; (d) manage and operate the Mortgaged Property; (e) preserve and maintain the Mortgaged Property; (f) make repairs and alterations to the Mortgaged Property; (g) complete the construction of the improvements on the Mortgaged Property, with such changes, additions, or modifications to the improvements under construction on the Mortgaged Property as Mortgagee may in its discretion deem appropriate or desirable to place the Mortgaged Property in such condition as will, in Mortgagee's sole judgment, make it or any part thereof readily marketable or rentable; (h) conduct a marketing or leasing program with respect to the Mortgaged Property, or employ a marketing or leasing agent or agents to do so, directed to the lease or sale of the Mortgaged Property, under such other terms and conditions as Mortgagee may in its sole discretion deem appropriate or desirable; (i) employ such consultants, managers, brokers, marketing agents, or other employees, agents, independent contractors, or professionals, as Mortgagee may in its discretion deem appropriate or desirable, to implement and effectuate the rights and powers herein granted; (j) execute and deliver, in the name of the Mortgagor as attorney-in-fact and agent of Mortgagor, or in its own name as Mortgagor, such documents and instruments as are necessary or appropriate to consummate authorized transactions; (k) enter such leases, whether of real or personal property, or tenancy agreements, under such terms and conditions as Mortgagee may in its sole discretion deem appropriate or desirable; (l) collect and receive the Rents from the Mortgaged Property; (m) eject tenants or repossess personal property, as provided by law, for breaches of the conditions of their leases or other agreements; (n) sue for unpaid rents, payments, income or proceeds in the name of Mortgagor or Mortgagee; (o) maintain actions in forcible detainer and actions in distress for rent; (p) compromise or give acquittance for rents, payments, income or proceeds that may become due; (q) delegate or assign any and all rights and powers given to Mortgagee by this Mortgage; and/or (r) do any acts which Mortgagee in its discretion deems appropriate or desirable to protect the security hereof and/or use such measures, legal or equitable, as it may in its discretion deem appropriate or desirable to implement and effectuate the provisions of this Mortgage. This Mortgage shall constitute a direction to and full authority to any lessee, or other third-party who has heretofore dealt or may hereafter deal with Mortgagor or Mortgagee, at the request of Mortgagee, to pay all amounts owing under any lease or other agreement to the Mortgagee without proof of the default relied upon. Any such lessee or third-party is hereby irrevocably authorized to rely upon and comply with (and shall be fully protected by Mortgagor in so doing) any request, notice or demand by the Mortgagee for the payment to the Mortgagee of any Rents or other sums which may be or thereafter become due under its lease or other agreement, or for the performance of any undertakings under any

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such lease or other agreement, and shall have no right or duty to inquire as to whether any default under this Mortgage or any of the other Loan Documents has actually occurred or is then existing, and Mortgagor hereby constitutes and appoints Mortgagee, its assigns, successors, transferees and nominees, as Mortgagor's true and lawful attorney-in-fact and agent, with full power of substitution in the Mortgaged Property, in Mortgagor's name and stead, to do or permit any one or more of the foregoing described rights, remedies, powers and authorities, successively and concurrently, and said power of attorney shall be deemed a power coupled with an interest and irrevocable.

8.3 Application of Proceeds: The proceeds of any sale of, and the Rents and other amounts generated by the holding, leasing, operation or other use of, the Mortgaged Property shall be applied by Mortgagee (or the Trustee or Receiver, if one is appointed) to the extent that funds are so available to the following items in such an order of priority as Mortgagee may in its discretion determine:

(a) to the payment of the costs and expenses of taking possession of the Mortgaged Property and of holding, using, leasing, repairing, improving and selling the same and of otherwise enforcing its rights and remedies under the Loan Documents, including, without limitation (i) trustees' and receivers' fees, (ii) court costs, (iii) attorneys' and accountants' fees, (iv) costs of advertisement and (v) the payment of any and all impositions, liens, security interests or other rights, titles or interests equal, superior or subordinate to the lien and security interest of this Mortgage (except those to which the Mortgaged Property has been sold subject to but without in any way implying Mortgagee's prior consent to the creation thereof);

(b) to the payment of all amounts, other than the principal balance outstanding and accrued but unpaid interest which may be due to Mortgagee under the Loan Documents, together with interest thereon as provided therein;

(c) to the payment of all accrued but unpaid interest due on the Note; and

(d) to the payment of the principal balance outstanding under the Note.

8.4 Remedies Cumulative, Concurrent and Non-Exclusive; No Waiver: Mortgagee shall have all rights, remedies and resources granted in the Loan Documents and available at law or equity (including specifically those granted by the Uniform Commercial Code in effect and applicable to the Mortgaged Property, or any portion thereof) and same (a) shall be cumulative and concurrent, (b) may be pursued separately, successively or concurrently against Mortgagor, any Guarantor or others obligated under the Note, or against the Mortgaged Property, or against any one or more of them, at the sole discretion of Mortgagee, (c) may be exercised as often as occasion therefor shall arise, it being agreed by Mortgagor that the exercise or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse and (d) are intended to be, and shall be, nonexclusive. All the conditions, covenants, provisions, and obligations herein contained,

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and all rights hereunder shall run with the land hereby mortgaged and shall extend to, be binding upon, and inure for the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties hereto. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised at any time from time to time as often as and when deemed by Mortgagee to be expedient or appropriate.

8.5 No Conditions Precedent to Exercise of Remedies: Neither Mortgagor or any Affiliated Person or Guarantor shall be relieved of any of the Obligations or Indebtedness hereunder by reason of (a) the failure of Mortgagee to comply with any request of Mortgagor or any Affiliated Person or Guarantor to foreclose the lien of this Mortgage or to enforce any provisions of the other Loan Documents; or (b) the full or partial release whether voluntarily or by operation of law, regardless of the adequacy of consideration, of the Mortgaged Property or any portion thereof or the addition of any other property to the Mortgaged Property (other than release upon the repayment in full of the Indebtedness); or (c) any agreement or stipulation extending, renewing, rearranging or in any other way modifying the terms of the Loan Documents without first having obtained the consent of, without first having given notice to or without first having paid any consideration to Mortgagor or any Affiliated Person or Guarantor, and in such event Mortgagor and each Affiliated Person or Guarantor shall continue to be liable to make payment according to the terms of any such extension or modification agreement unless expressly released and discharged in writing by Mortgagee; or (d) by any other act or occurrence save and except the complete payment of the Indebtedness and the complete fulfillment of all of the Obligations.

8.6 Release of and Resort to Collateral: Mortgagee may release, regardless of consideration, any part of the Mortgaged Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the lien or security interests created in or evidenced by the Loan Documents or their status as a first priority lien and security interest in and to the Mortgaged Property. For payment of the Indebtedness, Mortgagee may resort to any other security therefor held by Mortgagee in such order and manner as Mortgagee may elect.

8.7 Discontinuance of Proceedings: In case Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted under the Loan Documents and shall thereafter elect to discontinue or abandon same for any reason, Mortgagor and Mortgagee shall be restored to their former positions with respect to the Indebtedness, the Obligations, the Loan Documents, the Mortgaged Property and otherwise, and the rights, remedies, recourses and powers of Mortgagee shall continue as if same had never been invoked.

8.8 Prepayment: If, during the first five (5) years hereof, following the occurrence of an Event of Default and an acceleration of the Indebtedness, Mortgagor shall tender to Mortgagee payment of an amount sufficient to satisfy the entire Indebtedness, such tender shall be deemed to be a voluntary prepayment under the Note due to

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refinancing, notwithstanding Mortgagee's acceleration of the Indebtedness, and, accordingly, Mortgagor shall be obligated also to pay to Mortgagee the prepayment premium or fee then required.

8.9 Indemnity: Mortgagee shall not be obligated to perform discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, and to the extent provided by law, Mortgagor shall and does hereby agree to protect, indemnify, defend and hold Mortgagee harmless of and from any and all liability, loss, cost expense, or damage which it may or might incur in the exercise of its rights, remedies, powers and authority hereunder, and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations, undertakings or liabilities, except for such claims and demands as result from Mortgagee's gross negligence or willful actions. Should Mortgagee incur any such liability, loss, cost or damage of or in the defense of any claims or demands, the amount thereof, including costs, expenses and attorneys' fees, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand, with interest accruing at the Default Rate, as hereinafter defined.

8.10 Expenses of Litigation: Mortgagor further expressly covenants and agrees that, in case of foreclosure of this Mortgage in any court of law or equity, or the commencement of foreclosure proceedings or preparation therefor, or exercise of Mortgagee's power of sale hereunder, all expenses of every kind paid or incurred by the Mortgagee in or about the enforcement, protection, or collection of this security, including all costs, attorneys' fees, and stenographer's fees of the complainant in such proceeding or preparation therefor, and also all outlays for documentary evidence and the cost of title insurance, minutes of foreclosure, or of any abstract of title to the Mortgaged Property, and for an examination or opinion of title for the purpose of such foreclosure, shall be paid by the Mortgagor, and that all similar fees, costs, charges and expenses paid or incurred by the Mortgagee in any other suit or legal proceeding in which it shall be or be made a party by reason of this Mortgage or in connection with the Indebtedness or in protection of its security, including without limitation, any appeals, bankruptcy or insolvency proceedings, or proceedings in which Mortgagee may in its discretion intervene in order to protect its security, shall also be paid by the Mortgagor and that all such fees, costs, charges and expenses shall constitute so much additional indebtedness secured by this Mortgage, regardless of whether the same may cause the Indebtedness secured hereby to exceed the principal amount of the Note, and shall become immediately due and payable when incurred, with interest accruing thereon at the Default Rate, and shall be allowed in any decree of foreclosure thereof. No proceeding to foreclose this Mortgage, whether decree of foreclosure shall have been entered therein or not, shall be dismissed, nor shall a release of this Mortgage be given until all such expenses, charges, and costs of suit, including attorneys', and stenographer's fees shall have been paid.

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ARTICLE 9

CONDEMNATION

9.1 General: If all or any material part of the Premises (which determination shall be made by Mortgagee in its sole judgment) shall be damaged or taken through condemnation (which term, when used in this Mortgage, shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, the entire indebtedness secured hereby shall, at the option of the Mortgagee, become immediately due and payable. The Mortgagee shall be entitled to all compensation, awards and other payments of relief therefor and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or in Mortgagor's name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. Any such compensation, awards, damages, claims, rights, actions and proceedings, and the right thereto, are hereby assigned by Mortgagor to Mortgagee and Mortgagor agrees to execute such further assignments of any compensations, awards, damages, claims, rights, actions and proceedings as the Mortgagee may require. The Mortgagee shall not be held responsible for any failure to collect any amount in connection with any such proceeding regardless of the cause of such failure. After deducting from said condemnation proceeds all of its expenses incurred in the collection and administration of such sums, including attorneys' fees, the Mortgagee shall apply the net proceeds or any part thereof, as a credit on the indebtedness secured hereby, whether then matures or to mature in the future, without affecting the lien of this Mortgage, and if the same are insufficient to pay such amount in full, then Mortgagee shall have the right and option to declare the entire balance of the indebtedness remaining unpaid to be immediately due and payable without liability for any prepayment fee.

ARTICLE 10

SECURITY AGREEMENT

10.1 Security Interest: This Mortgage shall be construed as a mortgage on real property and it shall also constitute and serve as a "Security Agreement" on personal property within the meaning of, and shall constitute until the grant of this Mortgage shall terminate, a first priority security interest under, the Uniform Commercial Code with respect to the Personalty, Fixtures, Leases and Rents. To this end, Mortgagor has Granted, Bargained, Conveyed, Assigned, Transferred and Set Over and by these presents does Grant, Bargain, Convey, Assign, Transfer and Set Over, unto Mortgagee a first priority security interest in all of Mortgagor's right, title and interest in, to and under the Personalty, Fixtures, Leases and Rents (hereinafter collectively referred to as the "Collateral"), to secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations.

10.2 Financing Statements: Mortgagor hereby agrees with Mortgagee to execute and deliver to Mortgagee, in form and substance satisfactory to Mortgagee, such Financing Statements and such further

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assurances as Mortgagee may, from time to time, consider necessary to create, perfect, and preserve Mortgagee's security interest herein granted and Mortgagee may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest.

10.3 Uniform Commercial Code Remedies: Mortgagee shall have all the rights, remedies and recourses with respect to the Collateral afforded to it by the aforesaid Uniform Commercial Code in addition to, and not in limitation of, the other rights, remedies and recourses afforded Mortgagee by the Loan Documents.

10.4 Remedies for Personal Property: Whenever there exists an Event of Default hereunder, the Mortgagee may exercise from time to time any rights and remedies available to it under applicable law upon default in payment of indebtedness. The Mortgagor shall, promptly upon request by the Mortgagee, assemble the Collateral and make it available to the Mortgagee at such place or places, reasonably convenient for both the Mortgagee and the Mortgagor, as the Mortgagee shall designate. Any notification required by law of intended disposition by the Mortgagor of any of the Collateral shall be deemed reasonably and properly given if given at least ten (10) days before such disposition. Without granting the foregoing, whenever there exists a default hereunder, the Mortgagee may, with respect to so much of the Collateral as is personal property under applicable law, to the fullest extent permitted by applicable law, without further notice, advertisement, hearing or process of law of any kind, (i) notify any person obligated on the Collateral to perform directly for the Mortgagee its obligations hereunder, (ii) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto, (iii) endorse any checks, drafts or other writings in the name of the Mortgagor to allow collection of the Collateral, (iv) take control of any proceeds of the Collateral, (v) enter upon any premises where any of the Collateral may be located and take possession of and remove such Collateral, (vi) sell any or all of the Collateral, free of all rights and claims of the Mortgagor therein and thereto, at any public or private sale, and (vii) bid for and purchase any or all of the Collateral at any such sale. Any proceeds or any disposition by the Mortgagee of any of the Collateral may be applied by the Mortgagee to the payment of expenses in connection with the Collateral, including attorneys' fees and legal expenses, and any balance of such proceeds shall be applied by the Mortgagee toward the payment of such of the Indebtedness and in such order of application as the Mortgagee may from time to time, in its sole discretion, elect. The Mortgagee may exercise from time to time any rights and remedies available to it under the Uniform Commercial Code or other applicable law as in effect from time to time or otherwise available to it under applicable law. The Mortgagor hereby expressly waives presentment, demand, notice of dishonor, protest and notice of protest in connection with the Note and, to the fullest extent permitted by applicable law, any and all other notices, demands, advertisements, hearings or process of law in connection with the exercise by the Mortgagee of any of its rights and

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remedies hereunder. The Mortgagor hereby constitutes the Mortgagee its attorney-in-fact with full power of substitution to take possession of the Collateral upon any Event of Default and, as the Mortgagee in its sole discretion deems necessary or proper, to execute and deliver all instruments required by the Mortgagor to accomplish the disposition of the Collateral; this power of attorney is a power coupled with an interest and is irrevocable while any of the indebtedness is outstanding.

10.5 Fixture Financing Statement: This Mortgage is intended to be a financing statement within the purview of Section 9-402 of the Uniform Commercial Code with respect to those items of equipment, goods or inventory which are fixtures on the Premises. The Addresses of the Mortgagor (Debtor) and Mortgagee (Secured Party) are as hereinafter set forth. This Mortgage is to be filed for record in the real estate records of the county where the Premises are located. The Mortgagor is the record owner of the Premises.

ARTICLE II

MISCELLANEOUS

11.1 Future Advances. This Mortgage is given to secure payment of the Note, whether the entire amount thereof shall have been advanced to the Mortgagor at the date hereof, or at a later date, and to secure the payment and performance of all other liabilities and obligations of Mortgagor under the Note or the Loan Documents and other Loan Documents, and any other amount or amounts that may be added to the Indebtedness secured hereby under the terms of this Mortgage, all of which Indebtedness being equally secured with and having the same priority as any amounts advanced at the date hereof. It is agreed that any future advances made by Mortgagee to or for the benefit of Mortgagor from time to time under or this Mortgage or the Loan Documents and whether or not such advances are obligatory or are made at the option of Mortgagee, or otherwise, made at any time from the date of this Mortgage, and all interest accruing thereon, shall be equally secured by this Mortgage and have the same priority as all amounts, if any, advanced as of the date hereof and be subject to all of the terms and provisions of this Mortgage.

11.2 Survival of Obligations: Each and all of the Obligations shall survive the execution and delivery of the Loan Documents, and the consummation of the loan called for therein, and shall continue in full force and effect until the Indebtedness shall have been paid in full.

11.3 Notices: All notices or other communications required or permitted to be given pursuant to this Mortgage shall be in writing and shall be considered as properly given if mailed by first class United States mail, postage prepaid registered or certified with return receipt requested, or by delivering same in person to the intended address or by prepaid telegram, as follows:

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If to Mortgagor:

Cole Taylor Bank/Main
350 E. Dundee Road
Wheeling, Illinois

With a copy to:

Sung & Moon Song
2257 Ashbury Court
Arlington Hts., Illinois

and to Mortgagee at:

Adriatic State Bank
1100 W. Lake Street
Addison, IL 60101

with a copy to:

Levato & Kotche
350 S. Schmale Road
Carol Stream, IL 60188
Attn: Keith J. Kotche, Esq.

or at such other place as any party hereto may by notice in writing designate as a place for service of notice hereunder. Notice so mailed shall be effective upon the expiration of three (3) business days after its deposit. Notice given in any other manner shall be effective only if and when received by the addressee.

11.4 Mortgagee's Consent: In any instance hereunder where Mortgagee's prior approval or consent is required to be obtained by Mortgagor, any Guarantor or otherwise, or Mortgagee's judgment or discretion is required to be exercised as to any matter, the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion of Mortgagee, exercised in good faith, and Mortgagee shall not, for any reason and to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner regardless of the reasonableness of either the request or Mortgagee's judgment.

11.5 No Waiver: Any failure by Mortgagee to insist, or any election by Mortgagee not to insist, upon strict performance by Mortgagor of any of the terms, provisions or conditions of the Loan Documents shall not be deemed to be a waiver of the same or of any other term, provision or condition thereof, and Mortgagee shall have the right at any time or times thereafter to insist upon strict performance by Mortgagor of any and all of such terms, provisions and conditions.

11.6 Mortgagee's Right to Perform the Obligations: If Mortgagor shall fail, refuse or neglect to make any payment or perform any act required by the Loan Documents then at any time thereafter, and without notice to or demand upon Mortgagor and without waiving or

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releasing any other right, remedy or recourse Mortgagee may have because of same, Mortgagee may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Mortgagor, and shall have the right to enter the Real Estate and Buildings for such purpose and to take all such action thereon and with respect to the Mortgaged Property as it may deem necessary or appropriate. All sums paid by Mortgagee pursuant to this Paragraph 11.6, and all other sums expended by Mortgagee to which it shall be entitled to be indemnified, together with interest thereon at the Default Rate or at the maximum rate allowed by law from the date of such payment or expenditure, shall constitute additions to the Indebtedness, shall be secured by the Loan Documents and shall be paid by Mortgagor to Mortgagee upon demand.

11.7 Inspection: Mortgagor shall permit Mortgagee and its agents, representatives and employees, to inspect the Mortgaged Property, and all books, records and documents pertaining thereto at all reasonable times.

11.9 Covenants Running with the Real Estate: All obligations contained in the Loan Documents are intended by the parties to be, and shall be construed as, covenants running with the Mortgaged Property.

11.9 Severability: The Loan Documents are intended to be performed in accordance with, and only to the extent permitted by, all applicable legal requirements. If any provision of any of the Loan Documents or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable neither the remainder of the instrument in which such provision is contained nor the application of such provision to other persons or circumstances nor the other instruments referred to herein shall be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

11.10 Applicable Law; Business Loan: Mortgagor acknowledges and agrees that: (a) the Note, this Mortgage, and other Loan Documents have been negotiated, executed and delivered in the State of Illinois; (b) that the proceeds of the Note will be used for a "business purpose" as specified in Ch. 17, Paragraph 6434 of the Illinois Revised Statutes, and that accordingly, the principal obligation secured hereby constitutes a business loan which comes within the purview of said paragraph; and (c) that the Indebtedness and Obligations secured hereby are an exempted transaction under the Truth-in-Lending Act, 15 U.S.C. Sec. 1601 et seq.

11.11 Execution of Separate Security Agreements, Financing Statements, Etc.; Estoppel Letter: Mortgagor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, conveyances, notes, mortgages, security agreements, financing statements and assurances as Mortgagee shall require for accomplishing the purpose of this Mortgage. Without limitation of the foregoing, Mortgagor shall assign to Mortgagee, upon request, as further security for the Indebtedness secured hereby, its interests in all agreements, contracts, licenses and permits affecting the Premises, such assignments to be made by instruments satisfactory to Mortgagee, but no such assignment shall be construed as a consent by the Mortgagee to any agreement, contract, license or permit or to

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impose upon Mortgagee any obligations with respect thereto. From time to time, Mortgagor will furnish within ten (10) days after Mortgagee's request a written and duly acknowledged estoppel certificate in form and substance satisfactory to Mortgagee, including without limitation a statement and acknowledgement of the amount due and owing under the Note and under this Mortgage, whether any event has occurred which, with the passage of time or the giving of notice, or both, would constitute an event of default hereunder or under any of the other Loan Documents, and whether any alleged officers or defenses exist against the Indebtedness secured hereby.

11.12 No Merger: It is the desire and intention of the parties hereto that this Mortgage and the lien hereof shall not merge in fee simple title to the Mortgaged Property, unless a contrary intent is ever manifested by Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded. Therefore, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to the Mortgaged Property or the ownership thereof, then this Mortgage and the lien hereof shall not merge in the fee simple title, to-wit: that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

11.13 Release Upon Payment and Discharge of Mortgagor's Obligations: If Mortgagor shall fully pay all principal and interest on the Note and all Indebtedness secured hereby and perform and comply with all of the other terms and provisions hereof to be performed and complied with by Mortgagor, then this Mortgage shall be satisfied, and Mortgagee shall thereupon release this and discharge of all Indebtedness secured hereby and, if allowed by law, upon payment to Mortgagee of a reasonable fee for the preparation of such release.

11.14 Captions and Preambles: The captions and headings of various paragraphs of this Mortgage 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. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and the masculine, feminine, and neuter shall be freely interchangeable.

11.15 Successors and Assigns: All of the terms of the Loan Documents shall apply to, be binding upon and inure to the benefit of the parties thereto, their successors, assigns, heirs and legal representatives, and all other persons claiming by, through or under them.

11.16 Applicable Law: The Loan Documents shall be governed by and construed according to the laws of the State of Illinois, except to the extent that Federal law may preempt the applicability of state usury laws.

11.17 No Joint Venture; No Third-Party Beneficiary: Mortgagor acknowledges and agrees that in no event shall Mortgagee be deemed to be a partner or joint venturer with it. Without limitation of the foregoing, Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document securing any portion of the Indebtedness

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secured hereby, or otherwise. No other person shall be deemed to have any right or priority under this Mortgage to any extent or for any purpose whatsoever, nor shall any other person have any claim or right of action with respect to the Mortgaged Property or proceeds of the Indebtedness or be deemed a third-party beneficiary under this Mortgage or under the other Loan documents.

11.10 Waiver: The Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatever 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 the benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to decree, judgment or order of any court of competent jurisdiction; or, after such sale or sales, claim or exercise any right under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof; and without limiting the foregoing:

(a) The Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf or each and every person, excepting only decree or judgment creditors of the Mortgagor acquiring any interest or title to the Premises or beneficial interest in Mortgage subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of the Mortgagor and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by the provisions of Chapter 110, Para. 12-124 and Para 12-125 of the Illinois Statutes or other applicable law or replacement statutes;

(b) The Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power or remedy herein or otherwise granted or delegated to the Mortgagee but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted; and

(c) If the Mortgagor is a trustee, Mortgagor represents that the provisions of this Section (including the waiver of redemption rights) were made at the express direction of Mortgage's beneficiaries and the persons having the power of direction over Mortgage, and are made on behalf of the Trust Estate of Mortgage and all beneficiaries of Mortgage, as well as other persons mentioned above.

12.10 Trustee's Exculpation: This Mortgage is executed by COLE TAYLOR BANK/MAIN, not personally, but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Trustee hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in the Note shall be construed as creating any liability on said Trustee personally to pay

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said Note or any interest that may accrue thereon, or any indebtedness secured hereunder, or to perform any covenants, either express or implied therein or herein contained, or with regard to any warranty contained in the Mortgage except the warranty made in this Paragraph, all such personal liability, if any, being expressly waived with respect to said Trustee by the Mortgagee and by every person now or hereafter claiming any right or security hereunder, but nothing in the preceding portions of this Paragraph shall be construed in any way so as to affect or impair the lien of the Mortgage, or the Mortgagee's right to the foreclosure thereof, nor be construed in any way so as to limit or restrict any of the rights and remedies of the Mortgagee in any such foreclosure proceedings or other enforcement of the payment of the indebtedness secured hereby out of and from the security given therefore in the manner provided herein, in the Note and other instruments given to secure the Note, and further shall not in any way be construed to restrict or limit the Mortgagee's absolute right to enforce personal liability against any co-maker, endorser, guarantor or guarantors of the Note or any other instrument given to secure the indebtedness.

IN WITNESS WHEREOF, this MORTGAGE has been executed as of the day and year first above written.

MORTGAGEE:

COLE TAYLOR BANK/MAIN not personally, but as Trustee as aforesaid

By:

Name:

Title:

Phyllis Lindstrom
Phyllis Lindstrom
Vice President

ATTEST (SEAL)

By: *Rose M. Schlegel*
Name: Rose M. Schlegel
Title: Assistant Secretary

RJK164

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TRUSTEE'S ACKNOWLEDGEMENT

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Linda L. Horcher, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Phyllis Lindstrom Vice President and Rose M. Schlegel the Assistant Secretary and _____, respectively, of COLE TAYLOR BANK/MAD, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such officers, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said bank, not personally but as Trustee aforesaid, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 11th day of April, 1989.

Linda L. Horcher

Notary Public

OFFICIAL SEAL
LINDA L. HORCHER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 9/16/92

My Commission Expires: _____

9/18/90, 19

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CHICAGO TITLE INS. CO
REGISTRY
APR 12 1948
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CHICAGO TITLE INS. CO
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