

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, to secure (a) the payment of the indebtedness, (b) the repayment of any advances or expenses of any kind incurred by Mortgagee pursuant to the provisions of or on account of the Note, the Loan Agreement or this Mortgage, including any modifications, supplements, amendments or extensions hereto or thereto, (c) the repayment of future advances, if any, disbursed by Mortgagee to Mortgagor in accordance with the terms of the Mortgage or in excess of the principal of the indebtedness, it

WHEREAS, the Note provides for principal and interest at the rate therein specified, payable in accordance with the terms thereof, with all unpaid principal and unpaid and accrued interest due and payable on or before the Maturity Date (as defined in the Loan Agreement). The Note is payable to the order of Mortgagee at its principal office in Chicago, Illinois (the obligations and indebtedness hereunder and under the Loan Agreement and other Loan Documents (as defined in the Loan Agreement)), including principal and all interest as set forth in the Note, is hereinafter called the "indebtedness").

WHEREAS, Mortgagee is indebted to Mortgagee in the principal sum of Seven Hundred Twenty Seven Thousand Two Hundred Sixty and No/100 United States Dollars (U.S. \$727,260.00) or so much thereof as may be disbursed and outstanding from time to time pursuant to a Rehabilitation Loan Agreement ("Loan Agreement") between Mortgagee and Mortgagee, of even date herewith, plus interest in the amount as provided in and evidenced by a promissory Note (the "Note"), executed by Mortgagee to the order of Mortgagee, of even date herewith, for said amount and payable in accordance with the terms thereof.

W I T N E S S E T H :

THIS MORTGAGE made this 17<sup>th</sup> day of August, 1991 by AUSTIN MUTUAL LIMITED PARTNERSHIP, an Illinois limited partnership, (herein called "Mortgagor"), having its principal office c/o The Neighborhood Institute, Inc., 1750 E. 71st Street, Chicago, Illinois, 60649 to THE FIRST NATIONAL BANK OF CHICAGO, (the "Mortgagee"), a national banking association, organized and existing under the laws of the United States of America, having its principal office at One First National Plaza, Chicago, Illinois 60602.

PERSONAL PROPERTY, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTALS

CONSTRUCTION MORTGAGE

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necessary to protect Mortgagee's interest in the Property, provided, however, that the maximum amount of the principal indebtedness secured hereby (including any advances or expenses incurred or disbursed pursuant to clause (b) or (c) of this paragraph) shall not exceed \$1,454,520.00 (d) the performance and observance of all of the terms, covenants, provisions and agreements of this Mortgage, the Loan Agreement and the Note, the parties agree as follows:

**ARTICLE I**

**GRANT**

1.01 The Mortgagee hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages and confirms unto the Mortgagee, and grants a security interest in, the real estate described in Exhibit A attached hereto and made a part hereof (the "real estate"), which with the property, estates and interests hereinafter described is referred to herein as the "Property":

Together with, all rents, issues, profits, royalties, income and other benefits derived from the real estate, subject to the right, power and authority hereinafter given to Mortgagee to collect and apply such rents;

Together with, all leasehold estate, right, title and interest of Mortgagee in and to all leases or subleases covering the real estate or any portion thereof, now or hereafter existing or entered into, and all right, title and interest of Mortgagee thereunder, including without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

Together with, all right, title and interest of Mortgagee in and to any greater estate in the real estate owned or hereafter acquired;

Together with, all interests, estate or other claims in law and in equity which Mortgagee now has or may hereafter acquire in the real estate;

Together with, all easements, rights-of-way and rights pertaining thereto or as a means of access thereto, and all easements, hereditaments and appurtenances thereto and thereto;

Together with, all right, title and interest of Mortgagee now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed,

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adjoining the real estate, and any and all sidewalks, alleys and strips and gores or land adjacent to or used in connection with the real estate;

Together with, any and all buildings and improvements now or hereafter erected thereon, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to said buildings and improvements;

Together with, all machinery, apparatus, equipment, fittings, fixtures, and articles of personal property of every kind and nature whatsoever, other than consumable goods, now or hereafter located in or upon the real estate or any part thereof and used or usable in connection with any present or future operation of said real estate (hereinafter called "equipment"), and now owned or hereafter acquired by the Mortgagor, including, but without limiting the generality of the foregoing, all heating, lighting, laundry, incinerating, and power equipment, engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire-prevention, fire-extinguishing, refrigerating, ventilating, and communication apparatus, air-cooling and air-conditioning apparatus, elevators, escalators, shades, awnings, screens, storm doors and windows, stoves, wall beds, refrigerators, attached cabinets, partitions, ducts and compressors and all of the rights, title and interest of the Mortgagor in and to any equipment which may be subject to any title retention or security agreement superior in lien to the lien of this Mortgage. It is understood and agreed that all equipment is appropriated to the use of the real estate and, whether annexed or annexed or not, shall for the purpose of this Mortgage be deemed conclusively to be conveyed hereby. The Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be requested by the Mortgagee to confirm the lien of this Mortgage on any equipment;

Together with, all the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance, which Mortgagor now has or may hereinafter acquire in the real estate, and any and all awards made for the taking of eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the real estate, including without limitation any awards resulting from a change of grade of streets and awards for severance damages. To have and hold the property unto the Mortgagee, and its successors and assigns forever, for the uses and purposes herein set forth.

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3.01 The Mortgagor releases and waives all rights to retain possession of the property after any default in payment or breach of any of the obligations, covenants, undertakings or agreements set forth herein or in the Note, the Loan Agreement or any other "Loan Documents" (as defined in the Loan Agreement) which shall not have been cured within any applicable grace or cure periods; Mortgagor hereby, to the full extent permitted by law, releases and waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on its own behalf and on behalf of each and every person, except decree and judgment creditors of the Mortgagor, including any and all persons acquiring any interest in or title to the property or any interest in Mortgage. Mortgagor shall not, and will not, apply for or

WAIVER OF REDEMPTION

ARTICLE III

2.02 Mortgagor represents that the indebtedness secured by this Mortgage will be used for the purposes specified in Paragraph 6404 of Chapter 17 of the Illinois Revised Statutes and that the principal sum evidenced by the Note constitutes a business loan which comes within the purview of such paragraph.

2.01 Mortgagor represents and warrants that it has good and marketable fee simple title to the Property, subject only to the permitted exceptions contained in Exhibit B attached hereto and made a part hereof (the "Permitted Exceptions") which include but are not limited to the subordinate mortgages (as hereinafter defined), the declaration of Restrictive Covenants and Regulatory Agreement of even date herewith between Mortgagor and the City of Chicago (the "City Regulatory Agreement"), the Regulatory and Land Use Restriction Agreement of even date herewith between the Mortgagor and the Illinois Housing Development Authority (the "IHLA Regulatory Agreement"), and the first subordinate Assignment (as hereinafter defined) and such other matters as Mortgagee agrees to in writing. Mortgagor represents that it has good right and full power and authority to sell, mortgage and convey the Property and that it has duly executed and delivered this Mortgage pursuant to proper authorization and direction and that Mortgagee will make any further assurances of title that the Mortgagee may require and will defend the Property against all claims and demands whatsoever.

REPRESENTATIONS

ARTICLE II

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Unless Mortgagor is diligently pursuing the procedures provided for in Section 12.01 hereof, within ten (10) days after written demand therefor, Mortgagor shall deliver to Mortgagee the original, or a photostatic copy, of the official receipt evidencing payment of impositions or other proof of payment satisfactory to Mortgagee. Failure of Mortgagor to

(b) all other payments or charges required to be paid to comply with the terms and provisions of this Mortgage.

(a) all real estate taxes, personal property taxes, assessments, water and sewer rates and charges, and all other governmental levies and charges, of every kind and nature whatsoever, general and special, ordinary and extraordinary, unforsseen as well as unforeseen, which shall be assessed, levied, confirmed, imposed or become a lien upon or against the property or any portion thereof, and all taxes, assessments and charges upon the rents, issues, income or profits of the property, or which shall become payable with respect thereto or with respect to the occupancy, use or possession of the property, whether such taxes, assessments or charges are levied directly or indirectly (hereinafter collectively called the "impositions").

4.01 Mortgagor covenants and agrees to pay the indebtedness and the other sums secured hereby in the manner and at the times provided for in the Note and in this Mortgage.

4.02 Mortgagor covenants and agrees to pay, or cause to be paid, when due and payable

MORTGAGOR'S COVENANTS

ARTICLE IV

avail itself of any appraisal, valuation, stay, extension or exemption law, or so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives, to the extent permitted by law, the benefit of such laws.

Mortgagor for itself and all who may claim through or under it waives any and all right to have the property, and any estates comprising the property, marshalled upon any foreclosure of the lien hereon and agrees that any court having jurisdiction to foreclose such lien may order the property sold as an entirety. No provision of this Section or of this Mortgage shall prevent Mortgagor from bidding at any foreclosure sale of the property.

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4.06 Mortgagor covenants and agrees that this Mortgage is and will be maintained as a valid first mortgage lien on the property and that Mortgagor will not, directly or indirectly, create or suffer or permit to be created, or to stand against the property, or any portion thereof, or against the rents, issues and profits therefrom, any lien (including any liens arising with respect to the payment of impositions, with the exception of the lien for general real estate taxes not yet due and payable), security interest, encumbrance or charge whether prior to or subordinate to the lien of this Mortgage unless written approval is first obtained from Mortgagor. Mortgagor hereby acknowledges and approves: (1) that certain Junior "Mortgage and Security Agreement" (the "First Subordinate Mortgage") and that certain Assignment of Rents and Leases (the "First Subordinate Assignment") executed or to be executed by Mortgagor in favor of the City of Chicago ("City") securing that certain promissory note of even date therewith from Mortgagor to the order of the City in the original principal amount of \$759,066.00 which First Subordinate Mortgage and First Subordinate Assignment shall be approved by Mortgagor's counsel as to form and content and shall expressly provide that they are subject and subordinate to this Mortgage in all respects; and (2) that certain Third Mortgage (the "Second

4.05 Mortgagor shall not make or cause to be made any material capital improvements to the property unless written approval is first obtained from Mortgagor.

4.04 Mortgagor covenants and agrees to keep and maintain, or cause to be kept and maintained, the property (including all improvements thereon and the sidewalks, sewers, and curbs) in good order and condition and will make or cause to be made, as and when the same shall become necessary, all structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen repairs and all maintenance necessary to that end. Furthermore, Mortgagor will suffer no waste to the property. All repairs and maintenance required of Mortgagor shall be (in the reasonable opinion of Mortgagor) of first-class quality.

4.03 Mortgagor covenants and agrees to promptly comply, and cause all persons to comply with, all present and future laws, ordinances, rules, regulations and other requirements of all governmental authorities having or claiming jurisdiction of use or occupation thereof.

deliver to Mortgagor said receipts or to submit other proof satisfactory to Mortgagor as aforesaid shall constitute a default hereunder.

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Subordinate Mortgage" ) executed or to be executed by Mortgagee in favor of the Illinois Housing Development Authority ("IHDA") securing that certain promissory note of even date herewith from Mortgagee to the order of IHDA in the original principal amount of \$336,817.00 which second subordinate mortgage shall be approved by Mortgagee's counsel as to form and content and shall expressly provide that it is subject and subordinate to this mortgage in all respects. Mortgagee will keep and maintain the property free from all liens of persons supplying labor and materials for the construction, modification, repair or maintenance of any building or site improvement whether on the property or not. If any such liens shall be filed against the property, Mortgagee agrees to discharge the same of record within fifteen (15) days after the liens are filed or, if not filed, within fifteen (15) days after Mortgagee has notice thereof; provided that in connection with any such lien or claim which Mortgagee may in good faith desire to contest, Mortgagee may contest the same by appropriate legal proceedings, diligently prosecuted, but only if Mortgagee shall furnish to a title insurance company approved by Mortgagee such security or indemnity as the title insurance company may require to induce it to issue its preliminary or interim report on title, or its title insurance policy, insuring against all such claims or liens. In no event shall Mortgagee do, or permit to be done, or omit to do, or permit the omission of, any act or thing, the doing or omission of which would impair the security of this mortgage.

4.07 Mortgagee covenants and agrees, so long as the indebtedness remains outstanding, to comply with all rules, ordinances, statutes, orders and decrees of any governmental authority or court applicable to the Mortgagee or applicable to the property or any part thereof.

4.08 Mortgagee covenants and agrees that in the event a building or any portion thereof is taken or damaged by eminent domain powers of any governmental authority, including any award for a taking of title, possession or right of access to public way, or for any change of grade of streets affecting the property, the award shall be paid to Mortgagee and applied, after deducting any costs incurred in connection with the settlement of such award, in accordance with this Section 4.08. In the event of eminent domain proceedings resulting in condemnation of a building or any part thereof, borrower shall have the right to rebuild the building, and to use all available condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep the loan in balance and rebuild the building in a manner that provides adequate security to lender for repayment of the loan or if such

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4.09 Mortgagor covenants and agrees that it will properly perform and observe, or cause to be performed or observed, all of the terms, covenants and conditions of the Subordinate Mortgages, the First Subordinate Assignment and the City Regulatory Agreement, the IHDA Regulatory Agreement, and all other instruments of record affecting the Property. noncompliance with which might affect the security of this Mortgage or impose any duty or obligation upon Mortgagor, and Mortgagor shall do or cause to be done, all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and right to, in favor of, or constituting any portion of the Property.

It Mortgagor intends to so use the proceeds of a condemnation award it shall notify Lender in writing within (60) days after Mortgagor has notice of the final award. If Mortgagor does not notify Mortgagor of its election to so use the proceeds of a condemnation award or cannot comply with Mortgagor's requirements then Mortgagor may, at the Mortgagor's election, use such proceeds in any one or more of the following ways: (i) apply the same or any part thereof upon the indebtedness, whether such indebtedness then be matured or unmatured, (ii) use the same or part thereof to fulfill any of the covenants contained herein as the Mortgagor may determine, (iii) use the same or any part thereof to replace or restore the Property to a condition satisfactory to the Mortgagor or (iv) release the same to the Mortgagor. Mortgagor hereby covenants and agrees to and with the Mortgagor, upon request by the Mortgagor, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning all such awards to the Mortgagor free, clear and discharged of any and all encumbrances of any kind or nature whatsoever.

proceeds are insufficient then Borrower shall have funded any deficiency, (b) the Building can be restored to a complete architectural unit in substantially the same condition and value as prior to taking, (c) the repairs and restoration can be completed prior to the date that the Note becomes due and payable; (d) Lender shall have the right to approve plans and specifications for any major rebuilding; (e) Lender shall have the right to hold and disburse all funds necessary for such rebuilding or to approve disbursements of insurance or condemnation proceeds for rebuilding under procedures similar to those set forth in Article III of the Loan Agreement; under a construction escrow, or similar arrangement, and (f) no default then exists under the Loan Documents. If the condemnation affects only part of a Building and total rebuilding is infeasible, then proceeds shall be used to pay the outstanding indebtedness secured by the Security Documents.

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5.01 Except for the First and Second Subordinate Mortgages, the First Subordinate Assignment, the City Regulatory Agreement, the IHDA Regulatory Agreement, and any

TRANSFER OF PROPERTY

ARTICLE V

4.10 Mortgagor covenants and agrees that neither the value of the property nor the lien of this mortgage will be diminished or impaired in any way by any act or omission of the mortgagor and the mortgagor agrees it will not do or permit to be done to, in, upon or about said property, or any part thereof, anything that may in any way impair the value thereof or weaken, diminish or impair the security of this mortgage.

4.11 Subject to the rights granted mortgagor in Section 12.01 of this mortgage, mortgagor covenants and agrees to promptly pay and discharge any and all license fees or similar charges, with penalties and interest thereon, which may be imposed by the municipality or county in which the property is situated or by any other governmental body having jurisdiction thereof and will promptly cure any violation of law and comply with any order of said municipality, county or other governmental body in respect of the repair, replacement or condition of the property and any governmental regulations concerning environmental control and improvements, and that in default thereof, mortgagor may, but shall not be required to, pay any and all such license fees or similar charges or comply with such regulations with penalties and interest thereon, or pay such charges of the municipality, county or other governmental body for such repair or replacement. All amounts so paid shall thereupon be additional indebtedness and secured by this mortgage, and mortgagor will repay the same upon demand, with interest thereon, from the date of such payment by mortgagor.

4.12 Mortgagor covenants and agrees that if any action or proceeding is commenced in which mortgagor in good faith deems it necessary to defend or uphold the validity, enforceability or priority of the lien and interest of this mortgage or to preserve the value of the security for this mortgage, all sums paid by mortgagor for the expense of any such litigation to prosecute or defend the rights, lien and security interest created by this mortgage (including reasonable attorney's fees) shall be paid by mortgagor, together with interest thereon at the rate then applicable under the Note and any such sums and the interest thereon, shall be additional indebtedness secured by this mortgage.

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6.01 If Mortgagor shall fail to pay when due any impositions or any payments under the first and second subordinate mortgages or the notes secured thereby or to make any other payment required to be paid by Mortgagor under this Mortgage at the time and in the manner provided in this Mortgage, or if Mortgagor shall be in default in the performance or observance of any other term, covenant, condition or obligation required to be performed or observed by Mortgagor under this Mortgage, the Note, or any instrument of record, then, after the expiration of any applicable grace or cure period as set forth in any such document or instrument, and without limiting the generality of any other provision of this Mortgage, and without waiving or releasing Mortgagor from any of its obligations hereunder, Mortgagor shall have the right, but shall be under no obligation, to pay any impositions or other payment, or any sums due under this Mortgage, and may perform any other act or take such action as may be appropriate to cause such other term, covenant, condition or obligation to be promptly performed or observed on behalf of Mortgagor. In any such event, Mortgagor and any person designated by Mortgagor shall have, and is hereby granted, the right to enter upon the property at any time and from time to time for the purposes of performing any such act or taking any such action, and all moneys expended by Mortgagor in connection with making such payment or performing such act (including, but not limited to, legal expenses and disbursements), together with interest thereon from the date of each such expenditure, at the rate or

PERFORMANCE OF MORTGAGOR'S OBLIGATIONS

ARTICLE VI

5.02 Except as otherwise specifically provided in the Loan Agreement, Mortgagor may not transfer, convey, assign or substitute (any general partnership interest in Mortgagor without the prior written approval of Mortgagor.

5.02 Except as otherwise specifically provided in the Loan Agreement, Mortgagor may not transfer, convey, assign or substitute (any general partnership interest in Mortgagor without the prior written approval of Mortgagor.

other Permitted Exceptions, Mortgagor will not, without the prior written consent of Mortgagor, further mortgage, grant a deed of trust, pledge or otherwise dispose of or further encumber, whether by operation of law or otherwise, any or all of its interest in the Property. Mortgagor will not, without the prior written consent of Mortgagor, sell, assign, or transfer the Property or any interest therein. Any sale, assignment, transfer, mortgage, deed of trust, pledge, change or other disposition or encumbrance made in violation of the above provisions shall be null and void and of no force and effect and the making thereof shall constitute a default under this Mortgage.

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7.01 Mortgages hereby assigns to Mortgagee all of Mortgagee's interest in all rents, issues and profits of the Property, as further security for the payment of the indebtedness and other sums secured hereby. Mortgagee grants to Mortgagee the right to enter the Property and to let the Property, or any part thereof, and to apply said rents, issues, profits and proceeds after payment of all charges and expenses, on account of the indebtedness and other sums secured hereby. This assignment and grant shall continue in effect until the indebtedness and other sums secured hereby are paid in full. Mortgagee hereby agrees not to exercise the right to enter the Property for the purpose of collecting said rents, issues or profits and Mortgagee shall be entitled to collect and receive said rents, issues, profits and proceeds until the occurrence of a default by Mortgagee under the terms and provisions hereof, which is not cured within any applicable grace or cure periods; provided that any rents, issues and profits collected and received by Mortgagee after the occurrence of a default hereunder which is not cured within the applicable grace or cure period provided hereby shall be deemed collected and received by Mortgagee in trust for Mortgagee and Mortgagee shall account to Mortgagee for the full amount of such receipts. Mortgagee agrees to apply said rents, issues and profits, whenever received, to payment of the indebtedness, all impositions on or against the Property and other sums secured hereby. The right of Mortgagee to collect and receive said rents, issues and profits in trust for Mortgagee during the continuance of any default by Mortgagee under the terms and provisions of this Mortgage, which is not cured within any applicable grace or cure periods, may be revoked by Mortgagee's giving written notice of such revocation to Mortgagee.

ASSIGNMENT OF LEASES, RENTS AND CONTRACTS

ARTICLE VII

rates specified in the Note, shall be paid by Mortgagee to Mortgagee within ten (10) days after written notice to Mortgagee demanding such payment, and shall be additional indebtedness secured by this Mortgage, and Mortgagee shall have same rights and remedies in the event of nonpayment of any such sums by Mortgagee as in the case of a default by Mortgagee in the payment of the indebtedness. Nothing in this Section 6.01 or in any other part of this Mortgage shall be construed to require Mortgagee to make any payment or perform any obligation of Mortgagee or any of them. Any action taken by Mortgagee hereunder or in relation to the Property is for the sole benefit of Mortgagee and no other person shall rely upon any action, inaction, inspection or other act of Mortgagee in dealing with the Property or Mortgagee.

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8.02 In the event that hereafter it is claimed by any governmental agency that any tax or other governmental charge or imposition is due, unpaid or payable by Mortgagor or

by such notice. Mortgagor shall pay such tax prior to the date upon which payment is required hereunder, without any penalty thereby, and if the Mortgagor who is such tax in addition to all other payments required in the event of such tax is permitted by law to pay the mortgage, however, that such requirement of payment shall be ineffective if the Mortgagor is permitted by law to pay the mortgage and collectible at the expiration of said thirty (30) days, notice be given, said indebtedness shall become due, payable and collectible at the expiration of the indebtedness. If such property requiring the payment of the indebtedness, it shall be given thirty (30) days written notice to the then owner of the property of the indebtedness secured hereby shall have the right to give collection of any such taxes, the holder of this mortgage and mortgages for state or local purposes, or the manner of the laws for the taxation of mortgages or debts secured by the laws for the taxation of mortgages or debts secured by thereon, or changing in any way materially adverse to Mortgagor the value of land for the purposes of taxation any lien Mortgage of any law applicable to the property deducting from the event of the passage after the date of this 8.01

CHANGES IN TAX LAWS; PAYMENT OF OTHER TAXES

ARTICLE VIII

under this Mortgage. VII before, together with, or after exercising any other rights shall have the right to exercise any rights under this Article interest and Mortgage of Mortgagor in the Property. Mortgage assignment shall not be deemed secondary to the security pledge and assignment of the rights described herein and such the assignment under this Article VII is given as a primary, the non-performance thereof by Mortgagor or any other person, contract pertaining to the Property or any responsibility for obligation on Mortgagee to perform any provision of any of the Mortgage, nor shall this assignment impose any hereof shall not in any way impair or diminish the obligations given as collateral security and the execution and delivery 7.03 The assignment contained in this Article VII is

agreement. Mortgagee in connection with the recording of any such VII. Mortgagor shall pay Mortgagee the expenses incurred by comply and its compliance with the provisions of this Article to Mortgagee, further agreements evidencing its willingness to demand, execute and deliver to Mortgagee, in form satisfactory 7.02 Mortgagor will, from time to time after notice and

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(a) Failure of Mortgagor to observe or perform any of the covenants or conditions by Mortgagor to be performed under this Mortgage, other than relating to the payment of money, and such default is not cured or corrected within thirty (30) days after written notice thereof; provided that if such non-monetary default is of a nature as not to be reasonably susceptible to being cured within such thirty (30) day period, and Mortgagor initiates action to cure such default within said period and diligently and continually pursues the completion of such cure, the

9.01 The entire indebtedness shall become due at the option of Mortgagee, if any one or more of the following events of default shall occur:

DEFAULT

ARTICLE IX

Mortgagee upon the indebtedness (other than income tax on the interest or premium receivable by Mortgagee thereunder), including any recording tax, documentary stamps or other tax or imposition on the Note or Mortgage, Mortgagor will forthwith pay such tax and, within a reasonable time thereafter, deliver to Mortgagee satisfactory proof of payment thereof or (b) deposit with Mortgagee the amount of such claimed tax or other governmental charge or imposition, together with interest and penalties thereon, or other security reasonably satisfactory to Mortgagee, pending an application for a review of the claim for such tax or other governmental charge or imposition and, within a reasonable time, deliver to Mortgagee either (i) evidence satisfactory to Mortgagee that such claim has been withdrawn or defeated, in which event any such deposit shall be returned to Mortgagor, or (ii) a direction from Mortgagor to Mortgagee to pay the same out of the deposit above mentioned, with any excess due over the amount of said deposit to be paid by Mortgagor directly to the taxing authority and any excess of such deposit over such payment by Mortgagee to be returned to Mortgagor provided Mortgagor is not in default under the provisions of the Mortgage. Upon the failure of Mortgagor to comply with the provisions of this section 9.02 the entire indebtedness shall, at the option of Mortgagee, become due and payable ten (10) days after written notice from Mortgagee. If liability for such tax or other governmental charge or imposition is asserted against Mortgagee, Mortgagee will give to Mortgagor prompt notice of such claim and Mortgagor upon complying with the provisions of this section 9.02 shall have full right and authority to contest such claim.

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Mortgagor shall have each additional time, not to exceed ninety (90) days, as may be reasonably necessary to effect such cure.

(b) Any warranty or representation of Mortgagor when made was inaccurate or misleading in any material respect.

(c) Failure of Mortgagor to pay any indebtedness evidenced by the Note when due or to observe or perform any of the conditions, terms, covenants or agreements contained in the Note, the Loan Agreement or any other Loan Document and the continuance of such default beyond any applicable grace or cure period contained therein.

(1) If Mortgagor shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the present or any future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Mortgagor or of all or any substantial part of its properties or of the Property, such appointment shall not have been vacated or stayed on appeal or otherwise; or

(iv) If, within thirty (30) days after the expiration of any stay of such appointment, such appointment shall not have been vacated.

Notwithstanding sub-points (ii), (iii) and (iv) above, it after commencement of such proceeding or after such appointment, Lender reasonably determines that its security interest under the Loan Documents is impaired or at risk of impairment, Lender shall have the right to immediately declare an event of default.

(iii) If, within ninety (90) days after the appointment of any trustee, receiver or liquidator of Mortgagor (without the consent or acquiescence of such party) or of all or any substantial part of its properties or of the Property, such appointment shall not have been vacated or stayed on appeal or otherwise; or

(ii) If within ninety (90) days after the commencement of any proceeding against Mortgagor, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the present or any future federal bankruptcy act or any present or future applicable federal, state or other statute or law, such proceeding shall not be dismissed; or

(1) If Mortgagor shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the present or any future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Mortgagor or of all or any substantial part of its properties or of the Property; or

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(11) at public auction (if permitted by law) in such manner, at such time and upon such terms as

(1) under the judgment or decree of a court of competent jurisdiction, or

(e) sell the Property, in whole or in part;

(d) Hold, lease operate or otherwise use or permit the use of the Property, or any portion thereof, in such manner, for such time and upon such terms as Mortgagee may deem to be in its best interest (making such repairs, alterations, additions and improvements thereto, from time to time, as Mortgagee shall deem necessary or desirable) and collect and retain all earnings, rentals, profits or other amounts payable in connection therewith.

(c) Appoint a receiver for the Property, or any part thereof, and of the net income, rents, issues and profits covered by this Mortgage or any other security, and without the showing of insolvency on the part of Mortgagor or fraud or mismanagement, and without the necessity of filing any judicial or other proceeding for appointment of a receiver.

(b) Enter upon the Property and take possession thereof and of all books, records and accounts relating thereto.

(a) Declare the unpaid portion of the indebtedness to be immediately due and payable, without further notice or demand (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable.

9.02 If an event of default shall occur which is not cured within any applicable grace or cure period, Mortgagee may, at its option, exercise any and all of the following remedies:

(f) Mortgagor shall default under the first and second subordinate Mortgages or the declaration of Restrictive Covenants and Regulatory Agreement and such default shall not be cured within any applicable cure period.

(e) The assignment, pledge, hypothecation, or other disposition of the Property or the general partnership interest in Mortgagor in violation of the provisions of Article V hereof.

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10.01 In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree of sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee, or holder of the Note, for reasonable attorneys' fees, court costs, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs of procuring title insurance policies (which fees, charges and costs may be estimated as to items to be expended after entry of the decree), and all other expenses as Mortgagee or holder of the Note may deem reasonably necessary to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Property. All expenditures and expenses of the nature in this section mentioned shall become so much additional indebtedness secured hereby and shall be immediately due and payable with interest thereon at the rate in effect under the Note when paid or incurred by Mortgagee or holders of

## FORECLOSURE

### ARTICLE X

9.04 In the event Mortgagee (a) grants an extension of time on any payments of the Indebtedness, (b) takes other or additional security for the payment thereof, or (c) waives or fails to exercise any right granted herein, said act or omission shall not release Mortgagee, subsequent purchasers of the Property covered by this Mortgage or any part thereof, nor will any such extension or waiver constitute a continuing extension or waiver applicable to any future default.

9.03 In case Mortgagee shall have proceeded to enforce any right under the Note or this Mortgage and such proceedings shall have been discontinued or abandoned for any reason, then in every such case Mortgagee and Mortgagee shall be restored to their former positions and the right, remedies and powers of Mortgagee shall continue as if no such proceedings had been taken.

(f) exercise any other remedy now or hereafter existing in equity, at law, by virtue of statute or otherwise.

Mortgagee may determine, or as provided by law, and/or sell any personal property, in whole or in part, at one or more public or private sales, in such manner, at such time or times, and upon such terms as Mortgagee may determine or as provided by law.

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the Note. In addition to foreclosure proceedings, the above provisions of this Section 10.01 shall apply to (a) any proceeding to which Mortgagee or the holders of the Note shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness hereby secured; (b) preparations for the commencement of any suit for foreclosure hereof after accrual of such right to foreclosure whether or not actually commenced; or (c) preparation for the defense of or investigation of any threatened suit, claim or proceeding which might affect the Property or the security hereof, whether or not actually commenced.

10.02 Upon or at any time after the filing of a bill to foreclose this Mortgage, the court in which such bill is filed may appoint a receiver of the Property. Such appointment may be made either before or after sale, without notice, without regard to the agency or insolvency at the time of application for such receiver of the person or persons, if any, liable for the payment of the indebtedness and other sums secured hereby and without regard to the then value of the Property and the Mortgagee hereunder may be placed in possession of the Property. The receiver shall have power to collect the rents, issues and profits of the Property during the pendency of such foreclosure suit, as well as during any further times when Mortgagee, its successors or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Property during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of the indebtedness and other sums secured hereby, or in payment of any tax, special assessment or other lien which may be or become superior to the lien hereof or superior to a decree foreclosing this Mortgage, provided such application is made prior to foreclosure sale.

10.03 The proceeds of any sale of all or any portion of the Property and the earnings of any holding, leasing, operating or other use of the Property shall be applied by Mortgagee in the following order:

(a) first, to the payment to Mortgagee of the costs and expenses of taking possession of the Property and of holding, using, leasing, repairing, improving and selling the same;

(b) second, to the payment of Mortgagee's attorneys' fees and other legal expenses;

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13.01 Mortgagee may assign all or any portion of its interest hereunder and its rights granted herein and in the Note to any person, trust, financial institution or corporation as Mortgagee may determine and upon such assignment, such

## ASSIGNMENT BY MORTGAGEE

### ARTICLE XIII

12.01 Mortgagee at its expense, may contest, after prior written notice to Mortgagee, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application in whole or in part, of any impositions, described in Section 4.02, any license fees or similar charges, or any mechanic's lien filed against the property provided that (a) Mortgagee shall first make all contested payments, under protest if it desires, unless such proceedings shall suspend the collection thereof, (b) neither the property nor any part thereof or interest therein are at any time in any danger of being sold, foreclosed, lost or interefered with, and (c) Mortgagee shall have furnished such security, as may be reasonably requested by Mortgagee.

## CONTESTING LIENS AND IMPOSITIONS

### ARTICLE XII

11.01 Mortgagee covenants and agrees that Mortgagee, or its agents or representatives, may make such inspections of the property as Mortgagee may deem necessary or desirable, at all reasonable times and in a reasonable manner after giving due notice and that any such inspections shall be solely for the benefit of Mortgagee and shall not be relied upon by Mortgagee for any purpose.

## INSPECTION

### ARTICLE XI

- (c) third, to the payment of accrued and unpaid interest on the Note;
- (d) fourth, to the payment of the balance of the indebtedness;
- (e) any surplus shall be paid to the parties entitled to receive it.

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(a) during the Rehabilitation period for each Building, (i) all risks form of builder's risk insurance, (ii) owner's liability insurance, (iii) contractor's liability, workmen's compensation and employer's liability insurance, (iv) rents, earnings and extra expense insurance covering loss due to delay in completion of the Building, and (v) flood insurance, where appropriate; and

(b) Without limiting the generality of the foregoing, Borrower shall maintain:

14.01 (a) Mortgagor will maintain, or cause to be maintained during the continuance of this mortgage and until the same is fully satisfied and released, insurance policies issued by companies approved by lender and covering loss by perils, hazards, liabilities and other risks and casualties and in such form and such amounts as required by lender. Policies in form and amounts satisfactory to Mortgages, endorsed to protect Mortgages' interest with the standard mortgage clause or loss payable clause in favor of Mortgages, shall be delivered to Mortgages together with evidence of renewals as necessary. Such insurance shall provide that it may not be cancelled or materially modified except after 30 days prior written notice to Mortgages. Mortgagor will promptly pay when due, any premiums on any policy or policies of insurance required hereunder, and will deliver to Mortgages renewals of such policy or policies at least ten (10) days prior to the expiration dates thereof; the said policies and renewals to be marked "paid" by the issuing company or agent. The delivery to Mortgages of any policy or policies of insurance hereunder, or renewals thereof, shall constitute an assignment to Mortgages of all unearned premiums thereon as further security for the payment of the indebtedness secured hereby. In the event any foreclosure action or other proceeding hereunder is instituted by Mortgages, all rights, title and interest of Mortgagor in any or to any policy or policies of insurance then in force shall vest in Mortgages.

INSURANCE

ARTICLE XIV

assignee shall thereupon succeed to all the rights, interests, and options of Mortgagee herein and in the Note contained and Mortgagee shall thereupon have no further obligations or liabilities hereunder.

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(b) In the event the insurance proceeds are to be applied to the indebtedness, Mortgagee may collect all proceeds of insurance after deduction of all reasonable expense of collection and settlement, including attorneys' and adjustors

the repair or restoration of the Building(s). shall be applied against the indebtedness secured hereby or in absolute discretion, decide whether the insurance proceeds aforesaid, Mortgagee shall, in the exercise of its sole and Mortgagee does not or is not entitled to make the election date when the Note becomes due and payable. In the event Mortgagee can complete such repairs or restoration prior to the insurance, shall be sufficient to repair or restore, and (ii) Title Company funds which, when added to the proceeds of insurance, that Mortgagee has deposited with Mortgagee or repair or restore the Building(s), or, if such proceeds are Mortgagee that (i) the proceeds of insurance are sufficient to Mortgagee's election, evidence reasonably satisfactory to Mortgagee's presenting to Mortgagee concurrently with notice of restoration of the Building(s) shall be conditioned upon the Mortgagee's right to elect to have the proceeds applied to Building(s) damaged or destroyed; provided, however, hereby or the restoration to their former condition of the proceeds of insurance to be applied to the indebtedness secured may (provided Mortgagee is not in default hereunder), cause all thirty (30) days after the occurrence of such loss or casualty casualty, Mortgagee, at Mortgagee's election exercised within Rehabilitation Loan Agreement of even date herewith between the destruction of one or more Buildings (as defined in the accordance with this Section 14.02. In case of damage to or the proceeds, after deducting the costs of collection, in claims with insurers, collect all insurance proceeds, and apply loss, Mortgagee shall have the right and option to settle all 14.02 (1) In the event of the occurrence of an insured

to Mortgagee. and shall be additional indebtedness of Mortgagee and payor, and the cost thereof shall be immediately due such insurance, and the cost thereof shall be obligated to, obtain renewed, Mortgagee may, but shall not be obligated to, obtain by Mortgagee, or if any policy is cancelled, reduced, or not If Mortgagee fails to provide the insurance required

has ended: (i) all-risks form of property insurance covering real and personal property, (ii) rents, earnings and extra expense insurance, (iii) owner's liability insurance, (iv) workmen's compensation and employer's liability insurance, and (v) flood insurance, where appropriate.

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16.01 Mortgagor hereby grants to Mortgagee, in addition to and not in substitution for, any interest granted hereinabove, an express security interest in, and mortgages to the Mortgagee, all goods, types and items of property owned by the Mortgagor which are described in Article I of this Mortgage and in Section 16.02 below (hereinafter the "collateral") whether now or hereafter erected on or placed in or upon the real

## SECURITY AGREEMENT

### ARTICLE XVI

15.02 If any terms and provisions of the Loan Agreement, including periods for curing specific defaults, are inconsistent with any of the terms of this Mortgage, the provisions of the Loan Agreement shall prevail.

15.01 The Note secured by this Mortgage evidences a construction loan to finance in part certain improvements on the real estate, which loan will be disbursed in the amounts and pursuant to the terms and provisions of the Loan Agreement. The Loan Agreement, as the same hereafter may from time to time be amended, supplemented or modified, is hereby incorporated in this Mortgage by reference.

## COLLATERAL AGREEMENT

### ARTICLE XV

(c) In the event the insurance proceeds are to be used to rebuild any Building(s), Mortgagee may collect and retain the insurance proceeds and disburse same. Mortgagee shall proceed with diligence to make settlement with insurers and cause the proceeds of the insurance to be deposited with Mortgagee. The procedures and conditions set forth in Article III of the Loan Agreement for disbursements of Loan Proceeds shall govern disbursements of funds held by Mortgagee for such rebuilding or restoration, including, without limitation, the requirements for Lender's approval of Plans and Specifications and "balancing."

Indebtedness shall be paid by Mortgagee to Mortgagee. If the proceeds are insufficient to pay such remaining unpaid immediately due and payable, and available of any of the remedies provided for in the event of any default, Any proceeds remaining after application upon the indebtedness shall be paid by Mortgagee to Mortgagee.

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16.02 The security interest granted to the Mortgagee hereby shall cover the following types of property now or hereafter owned by the Mortgagee and used in connection with, and located upon, the real estate: the property and all machinery, apparatus, equipment, goods, systems, fixtures and property of every kind and nature whatsoever now or hereafter located in or upon or affixed to the real estate, or any part thereof, and used or usable in connection with any present or future operation of the real estate, and now owned or hereafter acquired by Mortgagee, including, but without limitation of the generality of the foregoing, all building permits plans and specifications, the construction contract with the General Contractor (as defined in the Loan Agreement), all sub-contracts and all other rights, licenses, permits, and agreements related to construction, leasing and management of the property, heating, lighting, incinerating, refrigerating, ventilating, air-conditioning, air-cooling, lighting, fire-extinguishing, plumbing, cleaning, communications, and power, equipment, systems and apparatus; and all elevators, escalators, switchboards, engines, motors, tanks, pumps, screens, storm doors, storm windows, shades, blinds, awnings, floor coverings, ranges, stoves, refrigerators, washers, dryers, cabinets, partitions, conduits, ducts and compressors; and all other items of personal property used in connection with the real estate. In addition, the Mortgagee hereby grants to the Mortgagee an express security interest in all renewals, hereditaments, easements, appurtenances, privileges and appurtenances belonging or in any way appertaining to the real estate, and all interests in property, rights and franchises or any part thereof together with all the reversions and remainders, and to the extent permitted by laws, all rents, tolls, issues and profits from the real estate, and all the

estate or any part thereof, and all replacements thereof and accessions thereto and proceeds thereof to further secure the payment of the indebtedness, the payment of all other sums due from the Mortgagee to the Mortgagee, and the performance by Mortgagee of all the covenants and agreements set forth herein. Mortgagee warrants and covenants that, except for the security interest granted hereby and except for the permitted exceptions (as defined in the Loan Agreement), which include the subordinate security interests of the City and IHDA, Mortgagee is the owner of the collateral free from any adverse lien, security interest or encumbrance and Mortgagee warrants that Mortgagee has made payment in full for all such collateral. Mortgagee will upon request from Mortgagee deliver to Mortgagee such further security agreements, chattel mortgages, financing statements and evidence of ownership of such items as Mortgagee may request.

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estate, right, title, interest and claims whatsoever, at law and in equity which the Mortgagor now have or may hereafter acquire with respect to the Property and the collateral.

16.03 Upon default hereunder and acceleration of the indebtedness pursuant to the provisions hereof, Mortgages may at its discretion require Mortgagor to assemble the collateral and make it available to Mortgages at a place reasonably convenient to both parties to be designated by Mortgages.

16.04 Mortgages shall give Mortgagor notice, by registered mail, postage prepaid, of the time and place of any public sale of any of the collateral or of the time after which any private sale or other intended disposition thereof is to be made by sending notice to Mortgagor at least five days before the time of the sale or other disposition, which provisions for notice of the sale or other disposition are reasonable; provided, however, that nothing herein shall preclude Mortgages from proceeding as to both real estate and the collateral (including personal property) in accordance with Mortgages' rights and remedies in respect to the real estate as provided in Section 9-501(4) of Chapter 26 of the Illinois Revised Statutes.

16.05 Mortgagor shall reimburse Mortgages for all costs, charges and fees, including reasonable legal fees, incurred by Mortgages in preparing and filing security agreements, extension agreements, financing statements, continuation statements, termination statements and chattel searches.

16.06 The collateral described herein shall be considered for all purposes a part of the Property as described herein; all warranties and covenants contained in this Mortgage made by Mortgagor shall be deemed as having been made with reference to the collateral; all agreements, undertakings and obligations of Mortgagor stated herein shall apply to the collateral, including without limitation, obligations regarding insurance, freedom from adverse lien or encumbrance, repair and maintenance; and all remedies of the Mortgages in the event of any default by Mortgagor under the terms of this Mortgage or any other instrument evidencing or securing the indebtedness secured hereby shall be available to the Mortgages against the collateral.

16.07 This Mortgage constitutes a Security Agreement as that term is used in the Illinois Uniform Commercial Code, Chapter 26, Illinois Revised Statutes.

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The First National Bank of Chicago  
Neighborhood Banking Division  
One First National Plaza  
Mail Suite 0289  
Chicago, Illinois 60670-0289  
Attention: Doris K. Wilson  
Teletax: (312) 407-3261

To Lender:

17.04 Any notice required or permitted to be given under this Agreement shall be deemed given (i) when personally delivered, (ii) when deposited in the United States mail, by certified or registered mail, postage prepaid, (iii) when delivered by a reputable messenger service, or (iv) when delivery by any of the foregoing methods is refused. Notices shall be addressed as follows:

17.03 No change, amendment, modification, cancellation or discharge hereof, or any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

17.02 A waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof, or of the Note or any other documents given by Mortgagor to secure the indebtedness, or any part thereof, shall apply to the particular instance or instances and at the particular time or times only, and no such waiver shall be deemed a continuing waiver but all of the terms, covenants, conditions and other provisions of this Mortgage and of such other documents shall survive and continue to remain in full force and effect. No waiver shall be asserted against Mortgagor unless in writing signed by Mortgagor.

17.01 The rights of Mortgagor arising under the provisions and covenants contained in this Mortgage, and the Note and other Loan Documents securing the indebtedness or any part thereof shall be separate, distinct and cumulative and none of them shall be in exclusion of the others. No act of Mortgagor shall be construed as an election to proceed under any one provision, anything herein or otherwise to the contrary notwithstanding.

MISCELLANEOUS

ARTICLE XVII

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17.07 Each and all of the covenants and obligations of this Mortgage shall be binding upon and inure to the benefit of the parties hereto, and except as herein otherwise specifically provided, their respective successors and assigns, subject at

17.06 In the event a portion of the property is released from the lien of this Mortgage by Mortgage, or added to this Mortgage by Mortgage, the "Property" as herein defined shall refer only to that portion from time to time subject to the lien of this Mortgage.

17.05 If any action or proceeding shall be instituted to evict Mortgagee or to recover possession of the property or any part thereof, or for any other purpose affecting the property or this Mortgage, or if any notice relating to a proceeding or a default is served on Mortgagee, Mortgagee will immediately upon service thereof on or by Mortgagee, deliver to Mortgagee a true copy of each notice, petition, or other paper or pleading, however designated.

Chicago Equity Fund 1990 Partnership  
c/o Chicago Equity Fund, Inc.  
24 West Erie  
Chicago, Illinois 60610  
Attention: William Higginson

8300 Sears Tower  
Kock, Martin & Cate  
230 South Wacker Drive  
Chicago, Illinois 60606-6589  
Attention: Thomas Thorne-Thomsen, Esq.

With Copies To:

Austin Mutual Limited Partnership  
c/o TMI Development Corp.  
1150 E. 71st Street  
Chicago, Illinois 60649  
Attention: Doris J. Pickens  
Telex: (312) 261-0889

To the Borrower:

Hopkins & Sutter  
Three First National Plaza  
Suite 3700  
Chicago, Illinois 60602  
Attention: Elvin E. Charly

With Copy To:

3988234

17.08 If one or more of the provisions of this Mortgage shall be invalid, illegal or unenforceable in any respect, such provision shall be deemed to be severed from this Mortgage and the validity, legality and enforceability of the remaining provisions contained herein, shall not in any way be affected or impaired thereby. All agreements herein are expressly limited so that in no contingency or event whatsoever, whether by reason of the advancement of the proceeds of the Loan, the acceleration of the maturity of the unpaid principal balance thereof, or otherwise, shall the amount paid or agreed to be paid to Lender for the use, forbearance or detention of the money to be advanced under the Loan exceed the highest lawful rate permissible under applicable usury laws. It, from any circumstances whatsoever, the fulfillment of any provision hereof or of the Note, the Mortgage or any other Loan Documents, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, also, the obligation to be fulfilled shall be reduced to the limit of such validity; and it, from any circumstance, Lender shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due on the Loan and not to the payment of interest.

17.09 The Loan is a nonrecourse obligation of Borrower. Neither Borrower nor any of its general and limited partners shall have any personal liability for repayment of the Loan, except in the event of fraud or gross misrepresentation of material fact. The sole recourse of Lender under the Loan Documents (excluding Lender's rights of recourse under that certain Environmental Indemnity of even date herewith between the Mortgagee, the Mortgageor, and TMI Development Corporation) for repayment of the Loan shall be the exercise of its rights against the buildings and related security thereunder.

All times nevertheless to all agreements and restrictions herein contained with respect to the transfer of Mortgageor's interest in the Property covered by this Mortgage.

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

MORTGAGOR:

AUSTIN MUTUAL LIMITED PARTNERSHIP,  
an Illinois limited partnership,

BY: TMI Development Corporation,  
an Illinois corporation, its  
managing general partner

BY: Barbara N. George  
its: vice president

This document prepared by and  
upon recording return to:

Steven J. Holler, Esq.  
Hopkins & Suter  
Three First National Plaza  
Suite 4100  
Chicago, IL 60602

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Property of Cook County, Illinois

5501-03 West Congress Parkway  
Chicago, Illinois

5040-44 West Quincy Street  
Chicago, Illinois

5447-53 West Quincy Street  
Chicago, Illinois

16-16-120-023

16-16-207-021

16-16-110-001

Street Address:

Nos.:

P.I.N.

PARCEL 3: LOT 25 AND LOT 26 (EXCEPT THE WEST 11 FEET THEREOF) IN BRITIGAN'S HARRISON STREET AND CENTRAL AVENUE SUBDIVISION OF LOTS 141, 142, 143, AND 144 (EXCEPT STREET) IN SCHOOL TRUSTEE'S SUBDIVISION OF THE NORTHWEST 1/4 OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2: THE WEST 50 FEET OF THE EAST 445 FEET (EXCEPT THE NORTH 8 FEET THEREOF DEDICATED FOR A PUBLIC ALLEY) OF LOT 38 (EXCEPT PART TAKEN FOR STREET) IN SCHOOL TRUSTEE'S SUBDIVISION OF THE NORTH PART OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 1: LOT 1 IN JOHN J. LYON'S SUBDIVISION OF LOT 122 (EXCEPT NORTH 33 FEET) IN SCHOOL TRUSTEE'S SUBDIVISION OF THE NORTH PART OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

## EXHIBIT A

1-22-2008

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LEV/p:JNE:17

1. All exceptions and matters shown on Commonwealth Title Insurance Company Specimen Policy No. 411-860294
2. Option Agreement among Austin Mutual Limited Partnership, Austin Mutual Residential Association and TNI Development Corporation, dated as of August 5, 1991 ("Option Agreement")
3. Memorandum of Option to be recorded regarding Option Agreement

## Permitted Exceptions

EXHIBIT B



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1991 AUG 13 PM 3:25  
CAROL MOSELEY GRAIN  
REGISTRAR OF DEEDS  
CLERK

Subj: 3988234
APPLICANT
FILE NUMBER
DATE OF DEED
AMOUNT
PROPERTY ADDRESS
LEGAL DESCRIPTION
DATE OF RECORDING
NOTARIAL COMMISSION NO.
NOTARIAL SIGNATURE

EDMONSKI  
Title Services  
Box 430  
Wheaton, IL 60189