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Cook County Recorder 45.00



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This instrument was prepared by

AMCORE BANK, N.A.
COMMERCIAL DEPARTMENT
501 SEVENTH STREET
P.O. BOX 1537
ROCKFORD, IL 61110-0037

MORTGAGE, ASSIGNMENT OF RENTS
AND SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (the "Mortgage") made as of this 30th day of May, 2002 between Joseph L. Garcia and Kathryn Garcia with its principal place of business at 2312 W. 109th St., Chicago, Illinois 60643 (the "Mortgagor"), and AMCORE BANK N.A., a national banking association having its principal office at 501 Seventh Street, Rockford, Illinois 61104 (the "Mortgagee").

WITNESSETH:

WHEREAS, the Mortgagor has, as of even date herewith, executed and delivered to the Mortgagee its Promissory Note ("Note") in the principal amount of one hundred eighty thousand and 00/100 (\$120,000.00) that is due and payable in full on or before May 30, 2009, evidencing the Mortgagor's obligation to make repayment to the Mortgagee pursuant to the terms of the Note; and

WHEREAS, it is necessary that the Mortgagor execute and deliver this instrument for the purpose of securing the Note; and NOW, THEREFORE, the Mortgagor to secure the payment of the principal and interest on the Note and any renewals, extensions and or modifications thereof and the payment of any other sums therein provided for and to secure the observance and performance of the covenants and agreements contained herein or in the Note and to secure all future and additional advances, if any, which the Mortgagee may make to the Mortgagor from time to time under the terms of the Note and also in consideration of the sum of Ten Dollars in hand paid, the receipt whereof is hereby acknowledged, does by these presents grant, bargain, sell, convey, mortgage, warrant, assign and pledge unto the Mortgagee, its successors and assigns and does hereby grant to the Mortgagee, its successors and assigns a security interest in all and singular the properties, rights, interests and privileges described in Granting Clauses I, II, III, IV, V and VI below, all of same being collectively referred to herein as the "Premises" or the "Mortgaged Property."

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MB
JB

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GRANTING CLAUSE I

That certain real estate (the "Land") lying in the County of Cook and State of Illinois, more particularly described in Schedule I attached hereto and made a part hereof.

GRANTING CLAUSE II

All buildings and improvements of every kind and description now existing or hereafter erected or replaced on the property described in Granting Clause I and all materials intended for construction, reconstruction, alteration and repairs of such improvements now existing or hereafter erected thereon, all of which materials shall be deemed to be included within the Premises immediately upon the delivery thereof to the said real estate, and all fittings, radiators, awnings, shades, screens, all gas, coal, steam, electric, oil and other heating, cooking, power and lighting apparatus and fixtures, all cooling and ventilating apparatus and systems, all plumbing, incinerating, sprinkler equipment and fixtures, all elevators and escalators, communication equipment; all other fixtures, machinery, apparatus and equipment of every kind and nature whatsoever now or hereafter acquired by Mortgagor and attached to or contained in or used or useful in connection with said real estate and the buildings and improvements now existing or hereafter located thereon, and all renewals or replacements of any of the foregoing or articles in substitution therefor; it being mutually agreed, intended and declared that all the aforesaid property owned by the Mortgagor and placed by it on the real estate shall, so far as permitted by law, be deemed to form a part and parcel of the real estate and for purpose of this Mortgage to be real estate and covered by this Mortgage; and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well a Security Agreement under the provisions of the Uniform Commercial Code for the purpose of creating hereby a security interest in said property, which is hereby granted by the Mortgagor, as debtor, to the Mortgagee, as secured party, securing the indebtedness hereby secured. The address of the Mortgagor (debtor) and the Mortgagee (secured party) appear at the beginning of this Agreement.

GRANTING CLAUSE III

All right, title and interest of the Mortgagor now owned or hereafter acquired in and to all singular the estates, tenants, hereditaments, privileges, easements, franchises and appurtenances belonging or in any way appertaining to the property described in the preceding Granting Clause I and the buildings and improvements now or hereafter located thereon and the reversions, rents, issues, revenues and profits thereof, including all interest of Mortgagor in all rents, issues and profits of the aforementioned property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money as advanced rent or for security) under any and all leases or subleases and allowed by law for the redemption of said property after any foreclosure or other sale), including specifically without limitation, all right, title and interest of the Mortgagor in and to the Lease, together with the right, but not the obligation to collect, receive and receipt for all such rents and apply them to the indebtedness hereby secured and to demand, sue for and recover the same when due or payable, provided that the assignments made hereby shall not impair or diminish the obligation of the Mortgagor under the provisions of such leases now shall such obligations be imposed under the Mortgage. By acceptance of this Mortgage, the Mortgagee agrees, not as a limitation or condition hereof, but as a personal covenant available only to the Mortgagor that until an Event of Default shall occur giving the Mortgagee the right to foreclose this Mortgage, the Mortgagor may collect, receive and enjoy such rents.

GRANTING CLAUSE IV

All judgments, awards of damages, settlements and other compensation hereafter made resulting from condemnation proceedings or the taking of the property described in Granting Clause I or any part thereof or any building or other improvement now or at any time hereafter located thereon or any easement or other appurtenance thereto under the power of eminent domain or any similar power or right (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for the payment thereof), whether permanent or temporary, or for any damage (whether caused by such taking or otherwise) to said property or any part thereof or the improvements thereon or any part thereof, or to

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any rights appurtenant thereto, including severance and consequential damage, and any award for change of grade of streets (collectively "Condemnation Awards").

GRANTING CLAUSE V

All properties and rights, if any, which are by the express provisions of this instrument required to be subjected to the lien hereof and any additional property and rights that may from time to time hereafter, by installation or writing of any kind, be subjected to the lien hereof by the Mortgagor or by anyone in the Mortgagor's behalf.

GRANTING CLAUSE VI

All rights in and to common areas and access roads on adjacent properties heretofore or hereafter granted to the Mortgagor and any after-acquired title or reversion in and to the beds of any ways, roads, streets, avenues and alleys adjoining the property described in Granting Clause I or any part thereof.

TO HAVE AND TO HOLD the Premises and the properties, rights and privileges hereby granted, bargained, sold, conveyed, mortgaged, warranted, assigned, pledged and in which a security interest is granted, or intended so to be unto the Mortgagee; its successors and assigns, forever; provided, however, that this Mortgage is upon the express condition that if the Mortgagor shall pay or cause to be paid all indebtedness hereby secured and shall keep, perform and observe all and singular the covenants and promises of the Note and in this Mortgage or in any instrument or document securing the Note expressed to be kept, performed and observed by the Mortgagor then this Mortgage and the estate and rights hereby granted shall cease, terminate and be void, and this Mortgage shall be released by the Mortgagee upon the written request and at the expense of the Mortgagor, otherwise to remain in full force and effect.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Maintenance of Premises. The Mortgagor shall, at its own expense (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the real estate which may become damaged or destroyed; (b) keep the Premises in good condition and repair, reasonable wear and tear excepted, without waste; (c) pay when due any indebtedness which may be secured by a lien, charge or encumbrance on the Premises; (d) complete within a reasonable time any building or buildings now or at any time in process of erection upon said real estate; (e) comply with all requirements of law or municipal ordinances with respect to the Premises and the use thereof (provided, that the Mortgagor may contest any such requirement or municipal ordinance if enforcement thereof is effectively stayed during the period of such contest); (f) not make any material alteration in said Premises which would impair the value or utility of the Premises, without the prior written consent of the Mortgagee, except as required by law or municipal ordinance; and (g) promptly notify the Mortgagee of any damage or destruction on the excess of \$30,000, or of any pending or threatened proceeding for the taking (by eminent domain or otherwise) of any part thereof, of any notice from any governmental authority alleging violation of any building code, zoning ordinance or other governmental requirement or of any other event or condition which might impair the value of the Premises or its use for its intended purpose.

2. Payment of Taxes. Charges. Etc. The Mortgagor shall pay, before any penalty attaches, all general taxes, special taxes, special assessments, sewer services and other charges against the Premises when due, and shall upon written request furnish to the Mortgagee duplicate receipts therefor. The prevent default hereunder, the Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which the Mortgagor may desire to contest.

3. Maintenance of Insurance. The Mortgagor shall keep the Premises insured against loss or damage by fire, lightning, windstorm, explosion and other such risks as are usually included extended coverage policies, and which are usually insured by owners of like property in amount sufficient to prevent the Mortgagor or the Mortgagee from becoming a co-insurer of any partial loss under applicable policies and in any event not less than the full insurable value (actual replacement value without deduction for physical depreciation) therefor. The Mortgagor shall not carry separate

insurance concurrent in kind or form and contributing in the event of loss, with any insurance required hereinabove. The Mortgagor shall also maintain general public liability insurance with respect to the Premises against damage because of bodily injury, including death, or damage to property of others, such insurance to afford protection to the limit of not less than \$100,000 for property damage and \$500,000 for bodily injury in respect of any one occurrence. Such insurance policies shall be maintained in companies reasonably satisfactory to the Mortgagee, under insurance policies payable, in case of loss or damage, to the Mortgagee (such rights to be evidenced by the standard noncontributory mortgage clause to be attached to each policy) and providing that the same may not be cancelled except upon 10 days prior to the written notice to the Mortgagee and shall deliver all policies, including additional and renewal policies, to the Mortgagee, and in case of insurance about to expire, shall deliver renewal policies not less than 10 days prior to the respective dates of expiration. So long as no event of default has occurred and is continuing under this Mortgage, Mortgagee shall, at the direction of the Mortgagor, either apply any insurance proceeds any time coming into its hands to the reduction of the indebtedness hereby secured or shall release same for restoration of the improvements damaged or destroyed. The Mortgagor shall notify the Mortgagee within 120 days of the occurrence of any event giving rise to a claim under any policy of insurance and shall advise the Mortgagee whether the Mortgagor intends to restore the improvements so damaged or destroyed or cause such insurance proceeds to be applied to the reduction of the indebtedness hereby secured. If the Mortgagor shall fail to so notify the Mortgagee, then the Mortgagee may, at its sole discretion, either apply such insurance proceeds to the reduction of the indebtedness hereby secured or may release the same for restoration of the improvements damaged or destroyed on such terms as it shall elect. The Mortgagor hereby irrevocably constitutes and appoints the Mortgagee its true and lawful attorney in fact to endorse the name of the Mortgagor on any commercial paper evidencing any insurance proceeds. Any insurance proceeds remaining after completion of restoration of any improvements shall be paid to the Mortgagor. The Mortgagor shall also maintain workers compensation insurance covering all persons employed at the Premises in accordance with the laws of the State of Illinois.

4. Title Insurance. The Mortgagor has obtained and there is in full force and effect on the date of the execution and delivery hereof a standard ALTA Mortgage Title Insurance Policy or a commitment to issue such a policy, issued by a title insurance agency authorized to issue title insurance in the State of Illinois showing good title to the real estate described in Schedule I hereto in the Mortgagor, and insuring the Mortgagee against loss or damage, not exceeding the amount of such policy, sustained by reason of this Mortgage not being a first paramount lien upon such real estate. Any proceeds payable to the Mortgagor under such policy shall be paid over to the Mortgagee and used to reduce the indebtedness secured hereby.

5. Condemnation. The Mortgagor acknowledges that Condemnation Awards have been assigned to the Mortgagee, which awards the Mortgagee is hereby irrevocably authorized to collect and receive and to give appropriate receipts and acquittances therefor. The Mortgagor covenants and agrees that the Mortgagor will give the Mortgagee immediate notice of the actual or threatened commencement of any proceedings under condemnation or eminent domain affecting all or any part of the Premises including any easement therein or appurtenance thereon or severance and consequential damage and change in grade of streets, and will deliver to the Mortgagee copies of any and all papers served in connection with any such proceedings. So long as no event of default has occurred and is continuing under this Mortgage and no event of default under the Note has occurred and is continuing, the Mortgagee shall, at the direction of the Mortgagor, either apply any Condemnation Awards at any time coming into its hands to the reduction of the indebtedness hereby secured or shall release same for restoration of or substitutions for the property so taken. The Mortgagor will notify the Mortgagee within 120 days after receipt by the Mortgagee of any Condemnation Award whether Mortgagor intends to restore or substitute property so taken or cause the Condemnation Award to be applied to the reduction of the indebtedness hereby secured. If the Mortgagor shall fail to so notify the Mortgagee, then the Mortgagee may, at its sole discretion, either apply such Condemnation Award to the reduction of the indebtedness hereby secured or may release same for restored or substitute property on such terms as it shall elect. The Mortgagor hereby irrevocably constitutes and appoints the Mortgagee its true and lawful attorney in fact to endorse the name of the Mortgagor on any commercial paper evidencing any Condemnation Award. Any Condemnation Award remaining after completion of restoration or substitution of any property shall be applied to the reduction of the indebtedness hereby

secured. Nothing contained herein shall be determined to limit the use of the power of eminent domain by the Mortgagee.

6. Disposition of Equipment. In any instance where the Mortgagor in its sound discretion determines that any items of equipment or machinery subject to the lien and security interest hereof have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Mortgagor may remove and dispose of such items of equipment or machinery from the Premises and sell, trade-in, exchange or otherwise dispose of them (as a whole or in part), provided that the Mortgagor shall, (a) substitute and install anywhere on the Premises other machinery or equipment having equal or greater utility (but not necessarily having the same function) in the operation of the Premises (provided such removal and substitution shall not impair operating utility), all of which substituted machinery or equipment shall be free of all liens and encumbrances other than the lien hereof; or (b) need not make any such substitution and installation, provided (i) that in the case of any such equipment or machinery or in the case of the scrapping thereof, the Mortgagor shall pay to the Mortgagee the proceeds from such sale or the scrap value thereof, as the case may be, (ii) that in the case of the trade-in of such equipment or machinery for other equipment or machinery not to be installed on the Premises, the Mortgagor shall pay to the Mortgagee the amount of the credit received by it in such trade-in, and (iii) that in the case of any other disposition thereof the Mortgagor shall pay to the Mortgagee an amount equal to the original cost thereof, less depreciation at the rate utilized by the Mortgagor. In the event that the Mortgagor prior to such removal of items of equipment or machinery from the Premises has acquired and installed machinery or equipment with its own funds which has become part of the premises and which is free of liens or encumbrances, the Mortgagor may take credit to the extent of the amount so spent by it against the requirement that it either substitute and install other machinery and equipment having equal or greater value or that it make payment to said Mortgagee. The Mortgagor will pay any costs (including counsel fees) incurred in subjecting to the lien of this Mortgage any items of machinery or equipment that under the provisions of this paragraph are to become a part of the Premises. The Mortgagor will not remove, or permit the removal of, any of the equipment or machinery secured hereby from the Premises except in accordance with the provisions of this paragraph.

7. Performance or Payment by the Mortgagee. In case the Mortgagor shall fail to perform any covenants herein contained, the Mortgagee may, but need not, make any payment or perform any act herein required of the Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchases, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale of forfeiture affecting said Premises or contest any tax assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorney's fees, and any other moneys advanced by the Mortgagee to protect the Premises and the lien hereof, plus reasonable compensation to the Mortgagee for each matter concerning which action herein authorized may be taken shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereof at a rate per annum equal to twelve percent (12%) per annum. The Mortgagee shall be subrogated to all rights, claims and liens of any party whose debt is discharged pursuant to this Section 7. Inaction of the Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default hereunder on the part of the Mortgagor. The Mortgagee in making any payment authorized may do so according to any bill, statement or estimate procured from the appropriate public officer or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

8. Defaults. The Mortgagor shall pay each item of indebtedness herein mentioned, including principal premium, if any, and interest, when due according to the terms hereof and of the Note. At the option of the Mortgagee and without notice to the Mortgagor, all unpaid indebtedness secured hereby shall, notwithstanding anything in the Note or in this Mortgage to the contrary, become due and payable (a) in the case of default in making of any installment on the Note or in making payment of any other sum due hereunder for a period of three days after written notice to the Mortgagor or five days after such installment is due, whichever is less or (b) in case the Mortgagor shall without the prior written consent of the Mortgagee sell, assign or transfer the real estate subject hereto, or any portion thereof or interest therein, or contract or agree so to do or (c) when a default shall occur in the performance or observance of any

agreement of the Mortgagor herein contained or contained in the Note, or (d) the Mortgagor abandons the Premises or (e) proceedings shall be commenced to foreclose or otherwise realize upon any lien, charge or encumbrance on the Premises or any part hereof, which proceedings shall not have been stayed, bonded or discharged within 30 days from their commencement. The occurrence of any of the events described in (a) through (e) above shall constitute any "event of default" hereunder.

9. Remedies on Default. Upon the occurrence of any default hereunder, the Mortgagee shall have, in addition to such other rights as may be available under applicable law, but subject to all times to any mandatory legal requirements, the following rights and remedies:

(a.) The Mortgagee may, by written notice to the Mortgagor, declare the Note and all unpaid indebtedness of the Mortgagor hereby secured, and interest accrued thereon, to be forthwith due and payable, whereupon the same become and be forthwith due and payable, without other notice or demand of any kind.

(b.) The Mortgagee shall, with respect to any part of the Premises constituting property of the type in respect of which realization on a lien or security interest granted therein is governed by the Uniform Commercial Code, have all the rights, options and remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation the right to the possession of any such property, or any part thereof, and the right to enter without legal process any premises where any such property may be found and may exclude the Mortgagor, its agents, and its servants wholly therefrom. Any requirement of said Code for reasonable notification shall be met by mailing written notice to the Mortgagor at its address set forth above at least 10 days prior to the sale or other event for which such notice is required. The proceeds of any sale or realization upon any such property shall be applied to the payment of the indebtedness hereby secured, after first deducting therefrom any expenses for retaking, selling and otherwise disposing of said property, including reasonable attorney's fees and legal expenses incurred by the Mortgagee in connection therewith. If any deficiency shall result after such application, then the Mortgagor shall be and remain liable therefor and shall immediately pay the same to the Mortgagee.

(c.) The Mortgagee may proceed to protect and enforce the rights of the Mortgagee hereunder (i) by any action at law, suit in equity or other appropriate proceedings, whether for the specific performance of any agreement contained herein, or for an injunction against the violation of any of the terms hereof, or in aid of the exercise of any power granted hereby or by law, or (ii) by the foreclosure of this Mortgage.

(d.) Upon the bringing of any suit to foreclose this Mortgage or to enforce any other remedy available hereunder, the Mortgagee shall, as a matter of right, without notice by, under or through it, and without regard to the solvency or insolvency of the Mortgagor or the then value of the Premises, to the extent permitted by applicable law, be entitled to have a receiver appointed of all or any part of the Premises and the rents, issues and profits thereof, with such power as the court making such appointment shall confer, and the Mortgagor hereby consents to the appointment of such receiver and shall not oppose any such appointment. Any such receiver may, to the extent permitted under applicable law, without notice, enter upon and take possession of the Premises or any part thereof by force, summary proceedings, ejectment or otherwise, and may remove the Mortgagor or other persons and any and all property therefrom and take possession of any income, rents, issues and profits accruing with respect thereto or any part thereof, whether during the pendency of any foreclosure or until any right of redemption shall expire or otherwise.

(e.) In any suit to foreclose the lien hereof there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expense which may be paid or incurred by or on behalf of the Mortgagee for attorney's fees, appraisers' fees outlays for documentary and expert evidence, stenographic charges, publications costs (which may be estimated as to items to be expended after the entry of the decree) of procuring all such abstracts of title, title searches and examination, guarantee policies, Torrens certificates and similar data and assurances with respect to title as the Mortgagee may deem to be reasonably necessary to prosecute any foreclosure action or to evidence to the bidder at any sale pursuant thereto the true condition of the title to or the value of the Premises, all of which

expenditures shall become so much additional indebtedness hereby secured and be immediately due and payable with interest thereon at the rate of twelve percent (12%) per annum from the date of expenditure until paid.

(f.) If at any foreclosure proceeding the Premises shall be sold for a sum less than total amount of indebtedness for which judgement is therein given, the judgement creditor shall be entitled to the entry of a deficiency decree against the Mortgagor for the amount of such deficiency and the Mortgagor shall be and remain liable for such deficiency and shall immediately pay the same; and the Mortgagor does hereby irrevocably consent to the appointment of a receiver for the Premises and of the rents, issues and profits thereof after such sale and until such deficiency decree is satisfied in full.

(g.) Upon the happening of any event of default, the Mortgagee may enter and take possession of the Premises or any part thereof and manage, operate, insure, repair and improve the same and take any action which, in the Mortgagee's judgement, is necessary or proper to conserve the value of the Premises. The Mortgagee may also take possession of, and for these purposes use, any and all personal property contained in the Premises and used by the Mortgagor in the operation or rental or leasing thereof or any part thereof. For the purpose aforesaid, the Mortgagor does hereby constitute and appoint the Mortgagee its attorney in fact irrevocably in its name to receive and collect all sums due or owing for such use, rents and occupation, as the same may accrue (and for such purpose the Mortgagor does hereby irrevocably constitute and appoint the Mortgagee its true and lawful attorney in fact for it and in its name, place and stead to receive, collect and receipt for all of the foregoing, the Mortgagor irrevocably acknowledging that any payment made to the Mortgagee hereunder shall be a good receipt and acquittance against the Mortgagor to the extent so made); and out of the amount so collected to pay and discharge all unpaid indebtedness hereby secured. For the purpose aforesaid, the Mortgagee may enter and take possession of the Premises and manage and operate the same and take any action which, in the Mortgagee's judgment, is necessary or proper to conserve the value of the Premises. The Mortgagee may also take possession of, and for these purposes use, any and all personal property contained in the premises and used by the Mortgagor in the operation of rental or leasing thereof or any part thereof. The right to enter and take possession of the Premises and use any personal property therein, to manage, operate and conserve the same, and to collect the rents, issues and profits thereof, shall be in addition to all other rights or remedies of the Mortgagee hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The expense (including any receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be secured hereby. The Mortgagee shall not be liable to account to the Mortgagor for any action taken pursuant hereto other than to account for any rents actually received by the Mortgagee.

(h.) In the event of any sale made under or by virtue of judicial proceeding, or decree of foreclosure and sale, or as permitted by law, the whole of the Premises may be sold in one parcel and as an entirety, or in separate parcels or lots, as the Mortgagee may determine.

The purchase money, proceeds or avails of any such sale, together with any other sums which then may be held by the Mortgagee under this Mortgage as part of the Premises or the proceeds thereof, whether under the provisions of this Section 9 or otherwise, shall be paid to the Mortgagee who shall apply such funds as follows:

FIRST: To the payment of the costs and expenses of such sale, including reasonable compensation to the Mortgagee, its agents, attorneys and counsel, and the expenses of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and advances made or incurred by the Mortgagee as permitted by this Mortgage, together with interest at a rate per annum equal to twelve percent (12%) per annum on all advances made by the Mortgagee, and to the payment of all taxes, assessments or liens prior to the lien of this Mortgage, except any taxes, assessments, liens, or other charges, subject to which the property shall have been sold.

SECOND: To the payment of the whole amount then due, owing and unpaid upon the Note.

THIRD: To the payment of any other sums required to be paid by the Mortgagor, if any, pursuant to any provisions of this Mortgage, the Note or any instrument or document providing collateral security therefor.

FOURTH: To the payment of the surplus, if any, to the Mortgagor, its successor or assigns, upon the written request of the Mortgagor or to whosoever may be lawfully entitled to receive the same upon its written request, or as any court of competent jurisdiction may direct.

(i.) Any sale or sales pursuant to Section (h) hereof shall operate to divest all estate, right, title, interest, claim or demand whatsoever, whether at law or in equity, of the Mortgagor in and to the premises, property, privileges and rights so sold, and shall be a perpetual bar both at law and in equity against the Mortgagor, its successors and assigns, and against any or all persons claiming or who may claim the same, or any part thereof, from, through, or under the Mortgagor or its successors or assigns.

(j.) The receipt of the Mortgagee or the court officer conducting any such sale for the purchase money paid at any such sale shall be a sufficient discharge therefor to any purchaser of the property, or any part thereof, sold as aforesaid; and no such purchaser or his representatives, grantees or assigns, after paying such purchase money and receiving such a receipt, shall be bound to see the application of such purchase money upon or for purchase of this Mortgage, or shall be answerable in any manner whatsoever for any loss, misapplication or non-application of any such purchase money or any part thereof, nor shall any such purchaser be bound to inquire as to the necessity or expediency of such sale.

(k.) In the event of any sale pursuant to this Section 9, the principal of the Note if not previously due, immediately thereupon shall become due and payable, anything in the Note or any instrument or document providing collateral security therefor, or this Mortgage to the contrary notwithstanding.

The expenses (including any receiver's fees, counsel fees, cost and agent's compensation) incurred pursuant to the powers herein contained shall be secured hereby. The Mortgagee shall not be liable to account to the Mortgagor for any action taken hereto other than to account for any rents actually received by the Mortgagee.

10. Waivers by the Mortgagor. The Mortgagor shall not and will not apply for or avail itself of any appraisal valuation, stay, extension, exemption or redemption laws, or any so-called "moratorium laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the sale of the Premises, but hereby waives the benefit of such laws. The Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Premises marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. In the event of any sale made under or by virtue of this instrument, the whole of the Premises may be sold in one parcel as an entirety or in separate lots or parcels at the same or different times, all as the Mortgagee may determine. The Mortgagee shall have the right to become the purchaser to any sale made under or by virtue of this instrument and the Mortgagee so purchasing at any such sale shall have the right to be credited upon the amount of the bid made therefor by the Mortgagee with the amount payable to the Mortgagee out of the net proceeds of such sale. In the event of any such sale, the Note and the other indebtedness hereby secured; if not previously due, shall be and become immediately due and payable without demand or notice of any kind. The Mortgagor hereby waives any and all rights of the redemption from sale under any order or decree of foreclosure pursuant to rights herein granted on behalf of the Mortgagor and each and every person acquiring any interest in, or title to, the Premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by law.

Mortgagor also waives its rights to object to and specifically authorizes the disclosure of any material relating to the Note and Mortgage, including but not limited to, financial statements and credit information, which the Mortgagee may be requested to release to third parties for the sale of the Note, Mortgage or the Premises.

11. Revolving Credit. The Note may evidence a revolving credit to the Mortgagor and the Mortgagor may secure a revolving credit to the Mortgagor. In such event, this Mortgage shall secure not only the existing indebtedness of Mortgagor, if any, under the revolving credit, but also all future advances to Mortgagor under the revolving credit, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may

be no advance made at the time of the execution of this Mortgage and although there may be no indebtedness outstanding at the time any advances are made.

12. Inspection of Premises. The Mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

13. Mechanic's Lien. Mortgagor shall not permit or suffer any mechanics', materialmens' or other lien to be created or to remain a line upon any of the Land.

14. Environmental Matters.

(a.) For the purposes of this Mortgage, the term "Hazardous Materials" shall include, but not be limited to, asbestos, flammable materials, explosives, lead, radio active materials, petroleum products, and/or other substances defined as "hazardous substances", "hazardous materials", or "toxic substances", in the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et. seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1501, et. seq.; the Resources Conversation Act 42, U.S.C. § 6901 et. seq.; the regulations adopted and promulgated pursuant to said laws; and/or any amendment of said law or regulations that may be hereinafter enacted.

(b.) The Mortgagor represents and warrants that there are no investigations, inquiries, or other proceedings now pending or contemplated by any local, state or federal governmental authority with respect to the environmental condition of the Premises and that the Premises are free from any Hazardous Materials.

(c.) The Mortgagor shall not cause or permit the violation of any law relating to the industrial hygiene or environmental conditions of the Premises, including, but not restricted to, air quality or soil and groundwater conditions, or use, generate, manufacture, store, or dispose of any Hazardous Materials on, under or about the Premises. A violation of this covenant shall be an event of default.

(d.) The Mortgagor agrees that if, at any time after execution of this Agreement, it is in violation of any environmental statutes with respect to hazardous materials or if any local, state or federal agency advises the Mortgagor of any violation of environmental statutes, that the Mortgagor shall have the immediate duty to cure the violation. The failure by the Mortgagor to cure the violation shall constitute an event of default.

(e.) In the event that Note is in default and/or foreclosure proceedings are instituted pursuant to 11 9 of this Mortgage, the Mortgagor agrees that the Mortgagee shall have the right to obtain an Environmental Assessment Report with respect to the Premises, which shall include, but not be limited to, a complete environmental history of the Premises, a soil sampling of the Premises, and any groundwater and/or other tests of the Premises that may be warranted. The Mortgagor agrees that the Mortgagee and or its agents shall have the right to enter the Premises for the purpose of inspection, sampling and testing of the Premises for an Environmental Assessment Report. The Mortgagor agrees that the cost of obtaining the Environmental Assessment Report shall be borne by the Mortgagor and that the Mortgagee shall have the right to add to the outstanding principal balance the cost of preparation of the Environmental Assessment Report, including all tests. The Mortgagor specifically agrees that the cost of the Environmental Assessment Report shall be recoverable in any mortgage foreclosure action instituted under this Mortgage.

(f.) The Mortgagor shall indemnify and hold Mortgagee, its assigns, agents, directors, employees, shareholders, and successors, harmless from any and all liability, foreseeable or unforeseeable, direct or indirect, direct or consequential, arising from or related to the existence of Hazardous Materials at the Premises. As part of this indemnification, the Mortgagor specifically agrees to be responsible for, but not limited to the: (i) cost of any required or necessary studies, valuations, lab analysis, testing, repairs, removal and disposal of hazardous materials from the Premises as required by any state or federal agency, cleanup or detoxification, preparation for closure, and/or other required plans with respect to the Premises; and (ii) cost and expense incurred by the Mortgagee in defense of any

environmental investigations of litigation, including but not limited to, attorneys' fees, consulting fees, lab analysis, records investigation, court costs and expenses. The Mortgagor's obligations pursuant to the foregoing indemnification shall survive the execution of this Mortgage and shall remain in full force and effect for a period of fifty (50) years after the date of this Mortgage. The Mortgagor's obligations of indemnification shall remain in full force and effect regardless of whether the Mortgagor has been released from liability by any previous owner of the Premises. In the event that the Mortgagor is obligated to indemnify the Mortgagee pursuant to this paragraph, the Mortgagor specifically waives its right to assert as a defense or set off to the indemnification, the involvement, either direct or indirect, of the Mortgagee in the control, disposal, liquidation, management, or operation of the Premises.

(g.) The Mortgagor shall prepare and deliver to the Mortgagee an environmental disclosure document for transfer of real property as required by the Illinois Responsible Property Transfer Act (765 ILCS 90/1 et. seq.) prior to the execution of this Mortgage. The Mortgagor also agrees to complete any environmental questionnaires that may be required by the Mortgagee.

15. Bankruptcy. The Mortgagor specifically agrees that if it files for protection under any Chapter of the United States Bankruptcy Code (11 U.S.C. § 101, et seq.), hereinafter "Bankruptcy Code", while the Note remains unpaid, that Mortgagee is entitled to relief from the Automatic Stay imposed by Section 362 of the Bankruptcy Code, as amended, or any Stays imposed by Section 105 of the Bankruptcy Code, as amended, or any other provision that may be added to the Bankruptcy Code and any Statute that may be passed by the United States Congress which acts as a Stay against a creditor. The Mortgagor specifically states that it waives any and all opposition to relief from the Automatic Stay or any other Stays imposed by the Bankruptcy Code with respect to the claim or claims of the Mortgagee arising out of the Note and that this provision shall constitute "cause", as said term is defined under 11 U.S.C. § 362 (d) (1), to terminate the Automatic Stay or any other Stays imposed by the Bankruptcy Code.

16. Remedies Cumulative. No remedy or right of the Mortgages shall be exclusive of, but shall be cumulative and in addition to, every other remedy or right now or hereafter existing at law or in equity or by statute or otherwise. No delay in the exercise or omission to exercise any remedy or right to be construed to be waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by the Mortgagee.

17. Agreement to Pay Costs and Attorneys' Fees. If the Mortgagee shall be made a party to or shall intervene in any action or proceeding affecting the Premises or the title thereto or the interest of the Mortgagee under this Mortgage, or if the Mortgagee employs an attorney to collect any or all of the indebtedness hereby secured, the Mortgagee shall be reimbursed by the Mortgagor, immediately and without demand, for all reasonable costs, charges, expenses and attorneys' fees incurred by it in any such case and the same be secured hereby as a further charge and lien upon the Premises.

18. Provisions Severable. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Mortgage shall be held to be invalid, illegal or unenforceable, the validity of the other terms of this Mortgage shall in no way be affected thereby.

19. Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Mortgage contained by or on behalf of the Mortgagor, or by or on behalf of the Mortgagee, shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

20. Waiver of Discharge to be in Writing. This Mortgage and the provision hereto may be charged, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the charge waiver, discharge or termination is sought.

21. Warranty of Title. The Mortgage hereby warrants specially the title to the Premises and will execute such further assurances as may be requisite.

22. Venue. The jurisdiction and venue of law suits arising out of this Mortgage to which the Mortgagee is or becomes a party shall be limited to the federal courts in the Northern District of Illinois and the state courts in Winnebago County, Illinois.

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23. SBA "The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA Regulations:

- a) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.
- b) Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument."

24. Mortgagor on behalf of himself/herself and each and every person claiming by, through or under mortgagor, hereby waives any and all rights of redemption, statutory or otherwise, without prejudice to mortgagee's right to any remedy, legal or equitable, which mortgagee may pursue to enforce payment or to effect collection of all or any part of the indebtedness secured by this mortgage, and without prejudice to mortgagee's right to a deficiency judgement or any other appropriate relief in the event of foreclosure of this mortgage.

25. Mortgagor hereby releases and waives all rights under and by virtue of the homestead exemption laws of this state.

LEGAL DESCRIPTION

LOT 82 IN THE RESUBDIVISION OF BLOCKS OF THE RESUBDIVISION OF BLUE ISLAND LAND AND BUILDING COMPANY'S OF CERTAIN LOTS AND BLOCKS IN THE MORGAN PARK IN WASHINGTON HEIGHTS IN SECTION 18, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PERMANENT INDEX NUMBER: 25-18-305-021

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UNOFFICIAL COPY

IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be executed as of the day and year first above written.

Mortgagor:

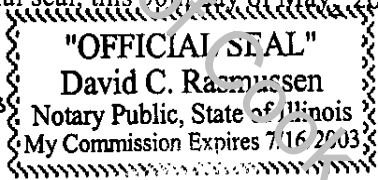
[Signature]
Kathryn Garcia

STATE OF ILLINOIS,

County ss: KANE

I, DAVID C. RASMUSSEN, the undersigned, a Notary Public in and for said county and state, do hereby certify that JOSEPH L. GARCIA AND KATHRYN GARCIA personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that THEY signed and delivered the said instrument as THEIR free and voluntary act, for the uses and purposes therein set forth

Given under my hand and official seal, this 30th day of May, 2002



David C. Rasmussen
Notary Public

My Commission expires: 7/16/03

Mortgagee:

AMCORE Bank, N.A.

BY: [Signature]

ATTEST:

BY: Melinda Harvey

STATE OF ILLINOIS)
)
COUNTY OF WINNEBAGO)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that and _____ of AMCORE Bank, N.A., a national banking association, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, as such _____ President and _____ President, respectively, appeared before me this day in person and acknowledged that they signed, sealed, and delivered the said instrument as their free and voluntary act as aforesaid, and as the free and voluntary act of said national banking association, for the uses and purposes therein set forth.

Given under my hand and official seal, this 30th day of May, 2002

My Commission expires:

Notary Public