

This instrument was prepared by and after recording return to: Anthony J. Nasharr Foran, Nasharr & O'Toole LLC 55 West Wacker Drive, Suite 925 Chicago, Illinois 60601



(The Above Space For Recorder's Use Only)



MORTGAGE

THIS MORTGAGE ("Mortgage") is made on September 17, 2002, by DEBRA A. KING ("Mortgagor"), in favor of FRANK A. CATALANO whose office is at 112 South York Road, Elmhurst, Illinois 60126 ("Lender").

* AKA Debra King, an unmarried woman

GRANTING CLAUSE

To secure the Indebtedness and as security for the purposes stated elsewhere in this Mortgage, the Mortgagor hereby MORTGAGES AND WARRANTS to the Lender, its successors and assigns, the following described properties, rights, interests and privileges (collectively, the "Mortgaged Property"):

First American Title Order # 63382

A. The parcel of real estate commonly known as 2249 South Kenneth Avenue, located in Chicago, Cook County, Illinois, described in Schedule A attached to this Mortgage and made a part hereof ("Real Estate");

B. All building, structures and improvements now located, or subsequently constructed or placed upon the Real Estate, including, without limit, all building materials and building equipment located on the Real Estate;

C. All easements, rights-of-way, licenses, privileges and appurtenances relating to the Real Estate;

D. All rents, issues, profits, revenues, proceeds, accounts and general intangibles arising from the Real Estate or relating to any business conducted by the Mortgagor on the Real Estate, or under present or future leases, reservation and/or purchase agreements, land contracts, licenses or otherwise, all of which are specifically assigned and transferred to the Lender;

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E. All right, title and interest of the Mortgagor in and to the land lying in the bed of any street, road, avenue, alley or walkway, opened or proposed or vacated, adjoining the Real Estate; and

F. Any and all awards or payments, including, without limit, interest on any awards or payments, and the right to receive them, which may be made with respect to the Mortgaged Property as a result of: (1) the exercise of the right of eminent domain, (2) the alteration of the grade of any street, (3) any loss of or damage to any building or other improvement on the Real Estate, (4) any other injury to or decrease in the value of the Mortgaged Property, (5) any refund due on account of the payment of real estate taxes, assessments or other charges levied against or imposed upon the Mortgaged Property, or (6) any refund of utility deposits or right to any tenant deposit.

INDEBTEDNESS SECURED BY THIS MORTGAGE

This Mortgage is made to secure all of the following (individually and collectively the "Indebtedness"):

I. Payment of Thirty Seven Thousand and 00/100 Dollars (\$37,000.00), together with interest, costs and all other sums on that amount, to be paid according to the Promissory Note of even date made by Mortgagor payable to Lender and all extensions, renewals, modifications, substitutions or replacements (collectively, the "Note") and any other note(s), guaranty(ies), loan and/or other evidence(s) of indebtedness to Lender made as of the date of this Mortgage by the Mortgagor; and any and all extensions, renewals, modifications, substitutions or replacements thereof. This reference to a particular dollar amount does not in any way limit the dollar amount secured by this Mortgage.

II. The payment of any and all amounts of any kind now owing or later to become due to the Lender from the Mortgagor during the term of this Mortgage, however created or arising, whether under the above mentioned note(s), guaranty(ies), loan and/or letter of credit agreement(s), indemnity agreement(s), evidence(s) of indebtedness or under any other instrument, or agreement now or hereafter existing between the Mortgagor and the Lender, or otherwise, and whether direct, indirect, primary, secondary, fixed, contingent, joint or several, due or to become due, together with interest, costs and all other sums on that amount and including, without limit, all present and future indebtedness or obligations of third parties to the Lender which is guaranteed by the Mortgagor, and the present or future indebtedness originally owing by the Mortgagor, to third parties and assigned by third parties to the Lender, and any and all renewals, extensions, modifications, substitutions or replacements of any of them.

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III. The performance of the covenants and obligations due or to become due to the Lender, including, without limit, those due under this Mortgage, and the repayment of all sums expended by the Lender in connection with performance of those covenants and obligations.

COVENANTS AND AGREEMENTS

1. **COVENANTS AND WARRANTIES.** The Mortgagor covenants and warrants to the Lender as follows:

1.1. **Authority; No Conflict.** The Mortgagor has the power and authority to execute, deliver and perform its obligations under this Mortgage. The execution, delivery and performance of this Mortgage by the Mortgagor does not, and will not violate or conflict with any provision of any agreement, court order or consent decree to which the Mortgagor is a party or by which the Mortgagor may be bound.

1.2. **Title to Mortgaged Property.** The Mortgagor is the owner and is lawfully seized and possessed of the Mortgaged Property. The Mortgagor has good right, full power and authority to mortgage the Mortgaged Property to Lender in accordance with the terms of this Mortgage. The Mortgaged Property is and shall remain free and clear of any liens and encumbrances superior to the lien of this Mortgage. The Mortgagor shall pay when due all obligations which, if unpaid, may become a lien on the Mortgaged Property.

1.3. **Payment of Indebtedness.** The Mortgagor will pay and perform the Indebtedness when due, whether by maturity, acceleration or otherwise.

1.4. **Maintenance of Mortgaged Property; Waste.** The Mortgagor shall preserve and maintain the Mortgaged Property in good repair, working order and condition, excepting ordinary wear and tear, shall replace any equipment serving the Mortgaged Property which requires replacement, and shall not commit or permit the commission of waste against the Mortgaged Property. Failure, refusal or neglect of the Mortgagor to pay any taxes or assessment or any utility rates levied, assessed or imposed upon the Mortgaged Property, and/or nonpayment of any premiums for insurance, shall constitute waste, and shall entitle the Lender to exercise the remedies provided in this Mortgage, as well as those afforded by law.

1.5. **Payment of Taxes; Discharge of Liens.**

1.5.1. The Mortgagor shall pay when due, and before any interest, collection fees or penalties accrue, all taxes, assessments, encumbrances, liens, mortgages, water or sewer charges and other charges and impositions (individually and collectively, "Imposition(s)") levied, assessed or existing with respect to the Mortgaged

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Property, or any part of it, and the Mortgagor will deliver to the Lender receipts showing payment of the Imposition(s). If the Mortgagor fails to pay any of the Imposition(s), the Lender, at its option, may pay such Imposition(s) and the monies paid shall be a lien upon the Mortgaged Property, added to the amount secured by this Mortgage, and payable immediately by the Mortgagor to the Lender, with interest at the higher of (i) the interest rate, if any, charged by the particular entity levying or assessing the Imposition(s), or (ii) the highest rate charged by the Lender on any of the Indebtedness (but in either case not to exceed the maximum interest rate permitted by law).

1.5.2. At the option of the Lender, the Mortgagor shall pay to the Lender, in advance on the first day of each month, a pro rata portion (as determined by the Lender) of all Imposition(s) levied, assessed or existing on the Mortgaged Property. In the event that sufficient funds have been deposited with the Lender to cover the amount of these Imposition(s) when they become due and payable, the Lender shall pay them. In the event that sufficient funds have not been deposited to cover the amount of these Imposition(s) at least thirty (30) days prior to the time when they become due and payable, the Mortgagor shall immediately pay the amount of the deficiency to the Lender. The Lender shall not be required to keep a separate account or to pay the Mortgagor any interest on the funds held by the Lender for the payment of the Imposition(s) pursuant to this Section 1.5 or for the payment of insurance premiums under Section 1.7 below, or on any other funds deposited with the Lender in connection with this Mortgage. The funds on deposit with the Lender are further security for the Indebtedness and if an Event of Default occurs under this Mortgage, any funds remaining on deposit with the Lender may be applied against the Indebtedness at any time after the Event of Default occurs, and without notice to the Mortgagor.

1.6. **Sale or Transfer of Mortgaged Property.** Without the prior written consent of the Lender, the Mortgagor will not (i) sell, assign, transfer or encumber all or any interest in the Mortgaged Property or (ii) enter into any agreement or grant an option for such purpose, or (iii) permit or suffer any change in the ownership of the Mortgaged Property. In the event ownership of the Mortgaged Property, or any part, becomes vested in any person(s) other than the Mortgagor, the Lender may deal with and may enter into any contract or agreement with the successor(s) in interest with reference to this Mortgage in the same manner as with the Mortgagor, without discharging or otherwise affecting the lien of this Mortgage or the Mortgagor's obligations under this Mortgage.

1.7. **Insurance.**

1.7.1. The Mortgagor shall keep the buildings and all other improvements on the Mortgaged Property insured for the benefit of the Lender against fire and other hazards and risks, including, without limit, vandalism and malicious mischief, as the Lender may require and shall further provide flood insurance (if the Mortgagor

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Property is situated in an area which is considered a flood risk area by the United States Department of Housing and Urban Development, and for which flood insurance is available under the National Flood Insurance Act of 1968, as amended), loss of rents insurance, public liability and product liability insurance and any other insurance as the Lender may reasonably require from time to time. All insurance shall be in amounts and in forms and with companies satisfactory to the Lender, and in the case of fire and extended coverage (or builder's risk) insurance shall not be for less than 100% of the full insurable value of the Mortgaged Property. The Mortgagor shall deliver to the Lender the policies evidencing the required insurance with premiums fully paid for one year in advance, and with standard mortgagee clauses (making all losses payable to the Lender). Renewals of the required insurance (together with evidence of premium prepayment for one (1) year in advance) shall be delivered to the Lender at least thirty (30) days before the expiration of any existing policies. All policies and renewals shall provide that they may not be canceled or amended without giving the Lender thirty (30) days prior written notice of cancellation or amendment.

1.7.2. Should the Mortgagor fail to insure or fail to pay the premiums on any required insurance or fail to deliver the policies or renewals as provided above, the Lender may have the insurance issued or renewed (and pay the premiums on it for the account of the Mortgagor) in amounts and with companies and at premiums as the Lender deems appropriate. If the Lender elects to have insurance issued or renewed to insure the Lender's interest, the Lender shall have no duty or obligation of any kind to also insure the Mortgagor's interest or to notify the Mortgagor of the Lender's actions. Any sums paid by the Lender for insurance, as provided above, shall be a lien upon the Mortgaged Property, added to the amount secured by this Mortgage, and payable immediately by the Mortgagor to the Lender, with interest on those sums at the highest rate charged by the Lender on any of the Indebtedness (but not to exceed the maximum interest rate permitted by law).

1.7.3. In the event of loss or damage, the proceeds of all required insurance shall be paid to the Lender. No loss or damage shall itself reduce the Indebtedness. The Lender or any of its employees is each irrevocably appointed attorney-in-fact for the Mortgagor and is authorized to adjust and compromise each loss without the consent of the Mortgagor, to collect, receive and receipt for the insurance proceeds in the name of the Lender and the Mortgagor and to endorse the Mortgagor's name upon any check in payment of the loss. The proceeds shall be applied first toward reimbursement of all costs and expenses of the Lender in collecting the proceeds (including, without limit, court costs and reasonable attorneys' fees), and then toward payment of the Indebtedness or any portion of it, whether or not then due or payable and in whatever order of maturity as the Lender may elect, or the Lender, at its option, may apply the insurance proceeds, or any part of them, to the repair or rebuilding of the Mortgaged Property. If the Lender elects to restore or repair the Mortgaged Property, the Mortgagor and the Lender shall

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enter into a written agreement satisfactory to the Lender providing for the terms under which the insurance proceeds shall be released. Application of proceeds by the Lender toward later maturing installments of the Indebtedness shall not excuse the Mortgagor from making the regularly scheduled installment payments nor shall such application extend or reduce the amount of any of these payments.

1.7.4. In the event of a foreclosure of this Mortgage, or the giving of a deed in lieu of foreclosure, the purchaser or grantee of the Mortgaged Property shall succeed to all of the rights of the Mortgagor under the insurance policies including, without limit, any right to unearned premiums and to receive the proceeds.

1.7.5. At the option of the Lender, the Mortgagor shall pay to the Lender, in advance on the first day of each month, a pro rata portion of the annual premiums due (as estimated by the Lender) on the required insurance. In the event that sufficient funds have been deposited with the Lender to cover the amount of the insurance premiums when the premiums become due and payable, the Lender shall pay the premiums. In the event that sufficient funds have not been deposited with the Lender to pay the insurance premiums at least thirty (30) days prior to the time when they become due and payable, the Mortgagor shall immediately pay the amount of the deficiency to the Lender.

1.8. **Compliance With Law and Other Matters.** The Mortgagor will comply with all federal, state and local laws, ordinances, rules, regulations and restrictions relating to the ownership, use, occupancy and operation of the Mortgaged Property and will not permit the use of the Mortgaged Property for unlawful purposes. Further, the Mortgagor will comply with, perform the Mortgagor's obligations under, and enforce the obligations of all other parties to all building and use restrictions, ground leases, leases, reservation and/or purchase agreements, condominium documents and/or other instruments affecting or relating to the use and/or occupancy of the Mortgaged Property.

1.9. **No Removal of Improvements.** Without the prior written consent of the Lender, the Mortgagor will not, remove, demolish or materially alter any building, structure or other improvement forming part of the Mortgaged Property nor otherwise reduce the value of the Mortgaged Property, except for replacement, maintenance and relocation in the ordinary course of business.

1.10. **Recording.** The Mortgagor will cause this Mortgage, any supplemental mortgage and any financing and continuation statements required by the applicable Uniform Commercial Code to be recorded and filed at the Mortgagor's expense in such manner and in such place as may, in the Lender's opinion, be necessary or proper.

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1.11. **Additional Assurances.** The Mortgagor will execute and deliver additional instruments and take additional actions as Lender may reasonably request to carry out the terms and conditions of this Mortgage.

1.12. **Inspection Rights.** The Lender may inspect the Mortgaged Property at such reasonable times as Lender shall determine. The Mortgagor will promptly provide to the Lender reports concerning the income, expenses and financial and other conditions of the Mortgaged Property as may be required from time to time by the Lender.

2. **APPLICATION OF CONDEMNATION AWARDS.**

2.1. **Condemnation Award.** Any eminent domain or condemnation proceeds shall be paid directly to the Lender and applied toward reimbursement of all the Lender's costs and expenses incurred in connection with collecting the award (including, without limit, court costs and reasonable attorneys' fees), and the balance applied upon the Indebtedness whether or not then due or payable in whatever manner the Lender deems advisable. Application by the Lender of any condemnation award or portion of it toward the last maturing installments of the Indebtedness shall not excuse the Mortgagor from making the regularly scheduled payments nor extend or reduce the amount of these payments.

2.2. **Appointment of Lender.** The Lender or any of its employees is each irrevocably appointed attorney-in-fact for the Mortgagor and is authorized to receive, receipt for, discharge and satisfy any condemnation award or judgment, whether joint or several, on behalf of the Mortgagor, the Mortgagor's legal representatives, successors and assigns; provided, however, that the Lender shall not be liable for failure to collect any condemnation award.

3. **ADDITIONAL SECURITY.**

3.1. **Security Interest in Personal Property.** This Mortgage shall, as to any equipment, fixtures, accounts, general intangibles and other personal property included within the definition of Mortgaged Property, be deemed to grant a security interest in the equipment, fixtures, accounts, general intangibles and other personal property pursuant to the Uniform Commercial Code. The Mortgagor agrees, upon request of the Lender, to promptly furnish a list of personal property owned by the Mortgagor and subject to this Mortgage and, upon request by the Lender, to immediately execute, deliver and/or file any mortgage and any amendments to this Mortgage, any separate security agreement and any financing statements to include specifically this list of personal property. The Lender or any of its employees is each irrevocably appointed attorney-in-fact and is authorized to execute, deliver and/or file any mortgage and any amendments to this Mortgage, any separate security agreement and any financing statements to include specifically the personal property described above.

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3.2. **Licenses and Permits.** As additional security for the Indebtedness, the Mortgagor assigns to the Lender all of the Mortgagor's rights and interest in all licenses or permits affecting the Mortgaged Property. This assignment shall not impose upon the Lender any obligations with respect to any license or permit. The Mortgagor shall not cancel or amend any of the licenses or permits assigned (nor permit any of them to terminate if they are necessary or desirable for the operation of the Mortgaged Property) without first obtaining the written approval of the Lender.

3.3. **Deposits and Accounts.** As additional security for the payment of the Indebtedness and performance of this Mortgage, the Mortgagor grants a security interest to the Lender in all deposits or other accounts with the Lender.

3.4. **Assignment of Rents and Leases.**

3.4.1. As additional security for the payment of the Indebtedness and performance of this Mortgage, the Mortgagor assigns to the Lender all of the Mortgagor's right, title and interest in and to all written and oral leases and occupancy agreements, now or later existing, covering the Mortgaged Property or any part of it (collectively, the "Leases") (but without an assumption by the Lender of liabilities of the Mortgagor under any of these Leases or occupancy agreements by virtue of this assignment), and the Mortgagor assigns to the Lender the leases, rents, issues and profits of the Mortgaged Property.

3.4.2. At least annually, and more frequently if requested by the Lender, the Mortgagor shall provide the Lender with a certified rent roll and such other information regarding the Leases as the Lender may reasonably require.

3.4.3. If an Event of Default occurs under this Mortgage, the Lender may receive and collect the rents, issues and profits personally, or through a receiver, so long as the Event of Default exists and during the pendency of any foreclosure proceedings and during any redemption period. The Mortgagor consents to the appointment of a receiver.

3.4.4. The Lender shall at no time have any obligation whatever to attempt to collect rents or other amounts from any tenant of the Mortgaged Property. Further, the Lender shall have no obligation to enforce any other obligations owed by any tenant of the Mortgaged Property. No action taken by the Lender under this Mortgage shall make the Lender a "mortgagee in possession."

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3.4.5. The Mortgagor shall not collect advance rent under any of the Leases in excess of one month (other than as a security deposit) and the Lender shall not be bound by any prepayment made or received in violation of this prohibition.

3.4.6. At the option of the Lender, this Mortgage shall become subordinate, in whole or in part (but not with respect to priority as to insurance proceeds or any condemnation award) to any or all Leases upon the execution and recording by the Lender of an affidavit to that effect.

3.4.7. The Mortgagor shall timely perform the obligations under the Leases and not permit or suffer any event or condition which gives any tenant a right to cancel, terminate, or assert any defense or offset under any of the Leases.

3.4.8. Without the Lender's prior written consent which consent shall not be unreasonably withheld or delayed, the Mortgagor shall not materially modify or amend the Mortgagor's standard lease form or the terms of any of the Leases or enter into any lease for longer than five (5) years, covering more than ten percent (10%) of the Mortgaged Property's rentable space, or with any affiliate.

3.5. Assignment Of Sales Agreements.

3.5.1. As additional security for the payment of the Indebtedness and performance of this Mortgage, the Mortgagor assigns to the Lender all of the Mortgagor's right, title and interest in and to all written and oral purchase and sale agreements, now or later existing, covering the Mortgaged Property or any part of it (collectively, the "Sales Agreements") (but without an assumption by the Lender of liabilities of the Mortgagor under any of these Sales Agreements by virtue of this assignment), and the Mortgagor assigns to the Lender all security and good faith deposits, all payments, and all other sums due at any time under any of the Sales Agreements.

3.5.2. When requested by the Lender, the Mortgagor shall provide the Lender with such information regarding the Sales Agreements as the Lender may reasonably require, including without limitation any accounting of all payments received at any time under any of the Sales Agreements.

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3.5.3. If an Event of Default occurs under this Mortgage, the Lender may receive and collect all sums due under the Sales Agreements personally, or through a receiver, so long as the Event of Default exists and during the pendency of any foreclosure proceedings and during any redemption period. The Mortgagor consents to the appointment of a receiver.

3.5.4. The Lender shall at no time have any obligation whatever to attempt to collect any sums due from any under any of the Sales Agreements. Further, the Lender shall have no obligation to enforce any other obligations owed by any purchaser under any of the Sales Agreements. No action taken by the Lender under this Mortgage shall make the Lender a "mortgagee in possession."

4. EVENTS OF DEFAULT AND REMEDIES.

4.1. Events of Default. Any of the following events shall, for purposes of this Mortgage, constitute an "Event of Default":

4.1.1. Failure by the Mortgagor to pay any amount owing under the Note or otherwise on the Indebtedness when due whether by maturity, acceleration or otherwise.

4.1.2. Any failure by the Mortgagor or any guarantor of all or any part of the Indebtedness to comply with, or breach by the Mortgagor or any guarantor of, any of the terms, provisions, warranties or covenants of this Mortgage, and agreement or instrument which is part of the Indebtedness, any guaranty of any of the Indebtedness, or any other agreement or commitment between the Mortgagor or any guarantor and the Lender.

4.1.3. Institution of foreclosure proceedings or other exercise of rights and remedies under any mortgage or other lien against the Mortgaged Property or any portion thereof.

4.1.4. The insolvency of the Mortgagor or any guarantor or the admission in writing of the Mortgagor's or any guarantor's inability to pay debts as they mature.

4.1.5. Any statement, representation or information made or furnished by or on behalf of the Mortgagor or any guarantor to the Lender in connection with or to induce the Lender to provide any of the Indebtedness shall prove to be false or materially misleading when made or furnished.

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4.1.6. Institution of bankruptcy, reorganization, insolvency or other similar proceedings by or against the Mortgagor or any guarantor.

4.1.7. Any uninsured loss, theft, substantial damage or destruction to the Mortgaged Property, or the issuance or filing of any attachment, levy, garnishment or the commencement of any related proceeding or the commencement of any other judicial process upon or in respect to the Mortgagor or any guarantor or the Mortgaged Property.

4.1.8. Sale or other disposition by the Mortgagor or any guarantor of any substantial portion of assets or property, or death, dissolution, merger, consolidation, termination of existence, insolvency, business failure or assignment for the benefit of creditors of or by the Mortgagor or any guarantor.

4.1.9. If there is any failure by the Mortgagor or any guarantor to pay when due any indebtedness (other than to the Lender) or in the observance or performance of any term, covenant or condition contained in any document evidencing, securing or relating to such indebtedness.

4.1.10. The death or judicial determination of incapacity or incompetency of the Borrower or any guarantor.

4.1.11 There is a substantial change in the existing or prospective financial condition or worth of the Mortgagor, any guarantor or the Mortgaged Property, which the Lender in good faith determines to be materially adverse.

4.2. **Remedies Upon Event of Default.** Upon the occurrence of any Event of Default, the Lender shall have the following rights, power and authority:

4.2.1. Declare all or part of the Indebtedness immediately due and payable.

4.2.2. Demand that the Mortgagor immediately surrender the possession of the Mortgaged Property to the Lender and the Mortgagor consents to the Lender taking possession of the Mortgaged Property and the books and records relating to the Mortgaged Property.

4.2.3. Lease the Mortgaged Property and may collect proceeds for the account of the Mortgagor.

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4.2.4. Foreclose the interest of the Mortgagor in the Mortgaged Property by action pursuant to applicable law. Commencement of such an action shall be deemed a declaration of acceleration pursuant to clause 4.2.1 above.

4.2.5. The Lender is authorized and empowered to sell or cause to be sold the Mortgaged Property and to convey the same to the purchaser thereof, pursuant the authority and power hereby granted and the provisions of 735 ILCS 5/15-1001, et seq., as amended, pertaining to mortgage foreclosure. The Lender may direct the sale of the Mortgaged Property to be in one parcel or several parcels and in any order as the Lender may elect in its sole discretion. The Mortgagor further agrees that the Lender is authorized and empowered to retain out of the sale proceeds such monies as are due under the terms of this Mortgage, including the costs and charges of such sale, including the attorney's fees and expenses, rendering the surplus moneys, if any, to the Mortgagor.

4.2.6. Collect and receive all payments, rents, profits and other amounts that are due or shall subsequently become due under the terms of any leases, land contract, or other agreements by which the Mortgagor is leasing or selling the Mortgaged Property or any interest in the Mortgaged Property. The Lender may also exercise any other rights or remedy of the Mortgagor under any lease, land contract or other agreement, and the costs and expenses thereof shall be for the account and expense of the Mortgagor. However, the Lender shall have no obligation to make any demand or inquiry as to the nature or sufficiency of any payment received or to present or file any claim or take any other action to collect or enforce the payment of any amounts to which the Lender may become entitled under this Mortgage. Similarly, the Lender shall not be liable for any of the Mortgagor's obligations under any such lease, land contract or other agreement.

4.2.7. Exercise all rights, remedies and privileges afforded a "secured party" under Article 9 of the Illinois Uniform Commercial Code. Require the Mortgagor to assemble the personal property subject to this Mortgage and make it available to the Lender at a place to be designated by the Lender which is reasonably convenient to both parties. Collect all accounts receivable, take possession of the personal property with or without demand and with or without process of law, and sell and dispose of it and distribute the proceeds according to law. For these purposes, the Mortgagor agrees that any requirement of reasonable notice, if any, shall be met if the Lender sends notice to the Mortgagor at least five (5) days prior to the date of sale, disposition or other event giving rise to the required notice.

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4.2.8. Enter upon the Mortgaged Property and take other actions as the Lender deems appropriate to perform the Mortgagor's obligations under this Mortgage to inspect, repair, protect or preserve the Mortgaged Property to investigate or test for the presence of any Hazardous Materials and/or to appraise the Mortgaged Property.

4.2.9. Pursue any other available remedy at law or equity to enforce the payment of the Indebtedness.

4.3 Remedies Generally.

4.3.1. All remedies provided for in Section 4.2 shall be available to the extent not prohibited by law. Each remedy shall be cumulative and additional to any other remedy of the Lender at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of, or acquiescence in, any such default or Event of Default.

4.3.2. The Lender may waive any Event of Default and may rescind any declaration of maturity of payments on the Indebtedness. In case of such waiver or rescission the Mortgagor and the Lender shall be restored to their respective former positions and rights under this Mortgage. Any waiver by the Lender of any default or Event of Default shall be in writing and shall be limited to the particular default waived and shall not be deemed to waive any other default.

4.3.3. The Lender may release the obligation of any person liable for any of the Indebtedness and may extend time for payment or otherwise modify any terms of any of the Indebtedness without notice to or consent of the Mortgagor or any other person and without impairing the lien or priority of lien of this Mortgage.

4.4. Receivers/Mortgagee in Possession. Upon an Event of Default and commencement of foreclosure proceedings to enforce the rights of the Lender under this Mortgage, the Lender shall be entitled to the appointment of a receiver or receivers of the Mortgaged Property and of the rents, issues and profits of the Mortgaged Property, pending such proceedings, or in addition to such receiver appointment or as alternative thereto the Lender shall be entitled to its appointment as mortgagee in possession as permitted by law.

4.5. Application of Proceeds. Any proceeds received by the Lender from the exercise of remedies pursuant to Section 4.2 of this Mortgage shall be applied as follows:

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4.5.1. First, to pay all costs and expenses incidental to the leasing, foreclosure, sale or other disposition of the Mortgaged Property. These costs and expenses shall include, without limit, reasonable compensation to the Lender, its agents and attorneys and any taxes and assessments or other liens and encumbrances prior to the lien of this Mortgage.

4.5.2. Second, to all sums expended or incurred by the Lender directly or indirectly in carrying out any term, covenant or agreement under this Mortgage or any related document, together with interest as provided in this Mortgage.

4.5.3. Third, to the payment of the Indebtedness. If the proceeds are insufficient to fully pay the Indebtedness, then application shall be made first to late charges and interest accrued and unpaid, then to any applicable prepayment premiums, then to unpaid fees and other charges, and then to the outstanding principal balance.

4.5.4. Fourth, any surplus remaining shall be paid to the Mortgagor or to whomsoever may be lawfully entitled.

4.6. **Marshalling.** In the event of foreclosure of this Mortgage or the enforcement by the Lender of any other rights and remedies under this Mortgage, the Mortgagor waives any right in respect to marshalling of assets which secure the Indebtedness or to require the Lender to pursue its remedies against any other assets or any other party which may be liable for any of the Indebtedness.

4.7. **Further Actions.** Promptly upon the request of the Lender, the Mortgagor shall execute, acknowledge and deliver any and all further conveyances, documents, mortgages and assurances, and do or cause to be done all further acts as the Lender may require to confirm and protect the lien of this Mortgage or otherwise to accomplish the purposes of this Mortgage.

4.8. **Attorneys Fees.** Any reference in this Mortgage to attorneys' fees shall refer to fees, charges, costs and expenses of in-house and outside attorneys and paralegals, whether or not a suit or proceeding is instituted, and whether incurred at the trial court level, on appeal, in a bankruptcy, administrative or probate proceeding, in consultation with counsel, or otherwise. All costs, expenses and fees of any nature for which the Mortgagor is obligated to reimburse or indemnify the Lender are part of the Indebtedness secured by this Mortgage and are payable upon demand, unless expressly provided otherwise, with interest until repaid at the highest rate charged on any of the Indebtedness (but not to exceed the maximum rate permitted by law).

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5. MISCELLANEOUS.

5.1. Governing Law. This Mortgage shall be construed in accordance with the laws of the State of Illinois.

5.2. Successors and Assigns. This Mortgage shall be binding upon the successors and assigns of the Mortgagor including, without limit, any debtor in possession or trustee in bankruptcy for the Mortgagor, and the rights and privileges of the Lender under this Mortgage shall inure to the benefit of its successors and assigns. This shall not be deemed a consent by the Lender to a conveyance by the Mortgagor of all or any part of the Mortgaged Property or of any ownership interest in the Mortgagor.

5.3. Notices. Notice from one party to another relating to this Mortgage shall be deemed effective if made in writing and delivered to the recipient's address set forth in this Mortgage by any of the following means: (a) hand delivery, (b) registered or certified mail, postage prepaid, (c) express mail or other overnight courier service, with request for assurance of receipt in a manner typical with respect to communications of that type. Notice made in accordance with these provisions shall be deemed delivered on receipt if delivered by hand or wire transmission, on the third business day after mailing if mailed by registered or certified mail, or on the next business day after mailing or deposit with the postal service or an overnight courier service if delivered by express mail or overnight courier.

5.4. Entire Agreement; Amendments. This Mortgage and any agreement to which it refers state all rights and obligations of the parties and supersede all other agreements (oral or written) with respect to the lien granted by this Mortgage. Any amendment of this Mortgage shall be in writing and shall require the signature of the Mortgagor and the Lender.

5.5. Partial Invalidity. The invalidity or unenforceability of any provision of this Mortgage shall not affect the validity or enforceability of the remaining provisions of this Mortgage.

5.6. Inspections. Any inspection, audit, appraisal or examination by the Lender or its agents of the Mortgaged Property or of information or documents pertaining to the Mortgaged Property is for the sole purpose of protecting the Lender's interests under this Mortgage and is not for the benefit or protection of the Mortgagor or any third party.

5.7. Joint and Several Liability. In the event that more than one person or entity executes this Mortgage, the obligations of each person or entity shall be joint and several.

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5.8. **Automatic Reinstatement.** Notwithstanding any prior revocation, termination, surrender or discharge of this Mortgage, the effectiveness of this Mortgage shall automatically continue or be reinstated, as the case may be, in the event that:

5.8.1. Any payment received or credit given by the Lender in respect of the Indebtedness is returned, disgorged or rescinded as a preference, impermissible setoff, fraudulent conveyance, diversion of trust funds, or otherwise under any applicable state or federal law, including, without limit, laws pertaining to bankruptcy or insolvency, in which case this Mortgage shall be enforceable as if the returned, disgorged or rescinded payment or credit had not been received or given, whether or not the Lender relied upon this payment or credit or changed its position as a consequence of it.

5.8.2. Any liability is imposed, or sought to be imposed, against the Lender relating to the environmental condition of, or the presence of Hazardous Materials on, in or about the Real Estate, whether this condition is known or unknown, now exists or subsequently arises (excluding only conditions which arise after any acquisition by the Lender of any such property, by foreclosure, in lieu of foreclosure or otherwise, to the extent due to the wrongful acts or omissions of the Lender), in which case this Mortgage shall be enforceable to the extent of all liability, costs and expenses (including without limit reasonable attorneys fees) incurred by the Lender as the direct or indirect result of any environmental condition or Hazardous Materials.

5.8.3. In the event of continuation or reinstatement of this Mortgage, Mortgagor agrees upon demand by the Lender to execute and deliver to the Lender those documents which the Lender determines are appropriate to further evidence (in the public records or otherwise) this continuation or reinstatement, although the failure of the Mortgagor to do so shall not affect in any way the reinstatement or continuation. If Mortgagor does not execute and deliver to the Lender upon demand such documents, the Lender and each officer of the Mortgage is irrevocably appointed (which appointment is coupled with an interest) the true and lawful attorney of the Mortgagor (with full power of substitution) to execute and deliver such documents in the name and on behalf of the Mortgagor.

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5.9. **WAIVER OF JURY TRIAL.** THE MORTGAGOR AND THE LENDER ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE

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OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS MORTGAGE OR THE INDEBTEDNESS.

IN WITNESS WHEREOF, the Mortgagor has executed this Mortgage as of the day and year noted above.

BORROWER:

Debra King
Debra A. King
AKA Debra King

STATE OF ILLINOIS)
COUNTY OF Cook) SS.

I, Shirley McCarthy, a Notary Public in and for said County, in the State aforesaid, do hereby certify that DEBRA A. KING who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her own free and voluntary act for the uses and purposes, therein set forth. *AKA Debra King

GIVEN UNDER my hand and notarial seal this 17 day of September, 2002.

[SEAL]

Shirley McCarthy (handwritten signature)

NOTARY PUBLIC

My commission expires: 09/07/03

Official Seal: Shirley McCarthy, Notary Public, State of Illinois, My Commission Expires Sept. 7, 2003

Official Seal: Shirley McCarthy, Notary Public, State of Illinois, My Commission Expires Sept. 7, 2003

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SCHEDULE A

THIS ADDENDUM IS ATTACHED TO AND MADE A PART OF THE CERTAIN MORTGAGE, EXECUTED BY DEBRA A. KING, IN FAVOR OF FRANK A. CATALANO.

LEGAL DESCRIPTION

LOT 18 AND THE NORTH 5 FEET OF LOT 19 IN THE SUBDIVISION OF THE WEST 5 ACRES OF THE EAST 10 ACRES OF THAT PART LYING NORTH OF THE CENTER OF OGDEN AVENUE OF THE NORTHWEST ¼ OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Permanent Tax Index No.: 16-27-102-017

Address: 2249 South Kenneth Avenue, Chicago, Illinois 60623

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