

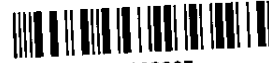
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322 / 0411 03 001 Page 1 of 8
2002-11-18 12:21:26
Cook County Recorder 38.50

THIS INSTRUMENT WAS PREPARED BY and AFTER RECORDING RETURN TO:

JEAN K. CHOI
ASSOCIATED BANK
200 E. RANDOLPH DR.
CHICAGO, IL 60601



0021268267

W.B.A. 420 H. (3/02) F41142
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SEE EXHIBIT "A"

Parcel Identification No.

DOCUMENT NO.

REAL ESTATE MORTGAGE
(For Consumer or Business Mortgage Transactions)

* LASALLE NATIONAL TRUST N.A., SUCCESSOR TO LASALLE NATIONAL BANK AS TRUSTEE
UNDER TRUST AGREEMENT DATED DECEMBER 20, 1993, AND KNOWN AS TRUST NUMBER 117781-07 ("Mortgagor,"
whether one or more) mortgages, conveys, assigns, grants a security interest in and warrants to
ASSOCIATED BANK ("Lender") in consideration of the sum of FIVE HUNDRED FIFTY FOUR THOUSAND
Dollars (\$ 554,000.00) loaned or to be loaned to VILLAGE DISCOUNT OUTLET INC.

("Borrower" whether one or more), evidenced
by Borrower's note(s) or agreement dated SEPTEMBER 3, 2002 the real estate
described below, together with all privileges, hereditaments, easements and appurtenances, all rents, leases, issues and
profits, all claims, awards and payments made as a result of the exercise of the right of eminent domain, and all existing
and future improvements and fixtures (all called the "Property") to secure the Obligations described in paragraph 4 of this
Mortgage, including but not limited to repayment of the sum stated above plus certain future advances made by Lender.
Mortgagor hereby releases and waives all rights under and by virtue of the homestead exemption laws of this state. The
current interest rate on Borrower's note(s) or agreement is FOUR AND 75/100 percent (4.75 %)
 and may vary based upon changes in an index rate. The maturity date of the Borrower's note(s) or agreement is
SEPTEMBER 3, 2003, which may be extended, modified or renewed from
time to time and the Mortgage will secure the Obligations as extended, modified or renewed. The total principal secured
by this Mortgage shall at no time exceed 1 times the amount of the indebtedness stated in Borrower's
note(s) or agreement described above.

1. **Description of Property.** (This Property IS NOT the homestead of Mortgagor.)

SEE EXHIBIT "A"

2315-232

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If checked here, this Mortgage secures a revolving line of credit and shall secure not only the amount which Lender has presently advanced to Borrower under the Borrower's note(s) or agreement, but also any future amounts which Lender may advance to Borrower under Borrower's note(s) or agreement within twenty (20) years from the date of this Mortgage to the same extent as if such future advance were made as of the date of execution of this Mortgage.

If checked here, description continues or appears on attached sheet.

If checked here, this Mortgage is a "construction mortgage" under 810 ILCS 5/9-313 (l)(c).

If checked here, Condominium Rider is attached.

2. Title. Mortgagor warrants title to the Property, excepting only restrictions and easements of record, municipal and zoning ordinances, current taxes and assessments not yet due and

3. Escrow. Interest _____ be paid on escrowed funds if an escrow is required under paragraph 8(a) of this Mortgage.

4. Mortgage as Security. This Mortgage secures prompt payment to Lender of (a) the sum stated in the first paragraph of this Mortgage, plus interest and charges according to the terms of the promissory notes or agreement of Borrower to Lender identified above, and any extensions, renewals or modifications signed by any Borrower of such promissory notes or agreement, (b) to the extent not prohibited by applicable law (i) any additional sums which are in the future loaned by Lender to any Mortgagor, to any Mortgagor and another or to another guaranteed or endorsed by any Mortgagor primarily for personal, family or household purposes and agreed in documents evidencing the transaction to be secured by this Mortgage, and (ii) all other additional sums which are in the future loaned by Lender to any Mortgagor, to any Mortgagor and another or to another guaranteed or endorsed by any Mortgagor, (c) all interest and charges, and (d) to the extent not prohibited by law, all costs and expenses of collection or enforcement (all called the "Obligations"). This Mortgage also secures the performance of all covenants, conditions and agreements contained in this Mortgage. Unless otherwise required by law, Lender will satisfy this Mortgage upon request by Mortgagor if (a) the Obligations have been paid according to their terms, (b) any commitment to make future advances secured by this Mortgage has terminated, (c) Lender has terminated any line of credit under which advances are to be secured by this Mortgage, and (d) all other payments required under this Mortgage and the Obligations and all other terms, conditions, covenants, and agreements contained in this Mortgage and the documents evidencing the Obligations have been paid and performed.

5. Taxes. To the extent not paid to Lender under paragraph 4(a), Mortgagor shall pay before they become delinquent all taxes, assessments and other charges which may be levied or assessed against the Property, or against Lender upon this Mortgage or the Obligations or other debt secured by this Mortgage upon Lender's interest in the Property, and deliver to Lender receipts showing timely payment.

6. Insurance. Mortgagor shall keep the improvements on the Property insured against direct loss or damage occasioned by fire, flood, extended coverage perils and such other hazards as Lender may require, through insurers approved by Lender, in amounts, without co-insurance, not less than the unpaid balance of the Obligations or the full replacement value, whichever is less, and shall pay the premiums when due. The policies shall contain the standard mortgagee and loss payee clauses in favor of Lender and, unless Lender otherwise agrees in writing, the original of all policies covering the Property shall be deposited with Lender. Subject to Lender's approval, Borrower is free to select the insurance agent or insurer through which insurance is obtained. Mortgagor shall promptly give notice of loss to insurance companies and Lender. All proceeds from such insurance shall be applied, at Lender's option, to the installments of the Obligations in the inverse order of their maturities (without penalty for prepayment) or to the restoration of the improvements on the Property. In the event of foreclosure of this Mortgage or other transfer of title to the Property, in extinguishment of the indebtedness secured hereby, all right, title, and interest of Mortgagor in and to any insurance then in force shall pass to the purchaser or grantee.

7. Collateral Protection Insurance Notice. Unless Mortgagor provides Lender with evidence of the insurance coverage required by this Mortgage, Lender may purchase insurance at Mortgagor's expense to protect Lender's interests in the Property. This insurance may, but need not, protect Mortgagor's interests. The coverage that Lender purchases may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the Property. Mortgagor may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Mortgagor has obtained insurance as required by this Mortgage. If Lender purchases insurance for the Property, Mortgagor will be responsible for the costs of that insurance, including interest and any other charges Lender may impose in connection with the placement of the insurance as required by this Mortgage. If Lender purchases insurance for the Property, Mortgagor will be responsible for the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to Mortgagor's total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance Mortgagor may be able to obtain on Mortgagor's own.

whatsoever directly or indirectly resulting from, arising out of, or based upon (i) the presence, use, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, (ii) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, storage, deposit, treatment, recycling or disposal of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, or (iii) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Mortgagor shall immediately notify Lender in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance on, in, under or about the Property.

10. Authority of Lender to Perform for Mortgagor. If Mortgagor fails to perform any of Mortgagor's duties set forth in this Mortgage, Lender may after giving Mortgagor any notice and opportunity to perform which are required by law, perform the duties or cause them to be performed, including without limitation signing Mortgagor's name or paying any amount so required, and the cost shall be due on demand and secured by this Mortgage, bearing interest at the highest rate stated in any document evidencing an Obligation, but not in excess of the maximum rate permitted by law, from the date of expenditure by Lender to the date of payment by Mortgagor.

11. Default; Acceleration; Remedies. If (a) there is a default under any Obligation secured by this Mortgage, (b) Mortgagor fails timely to observe or perform any of Mortgagor's covenants or duties contained in this Mortgage, or (c) Lender deems itself insecure then, at the option of Lender each Obligation will become immediately payable. If Lender exercises its option to accelerate the unpaid principal and interest owed on the Obligation, together with all sums paid by Lender as authorized or required under this Mortgage or any Obligation, shall be collectible in a suit at law or by foreclosure of this Mortgage by action, or both, or by the exercise of any other remedy available at law or equity.

12. Waiver. Lender may waive any default without waiving any other subsequent or prior default by Mortgagor.

13. Waiver of Right of Reinstatement and Redemption. Unless the Property is residential real estate or agricultural real estate as defined in the Illinois Mortgage Foreclosure Law, Mortgagor hereby waives any and all rights of reinstatement and redemption from sale in any foreclosure of the Mortgage. If the Property is agricultural real estate and the Mortgagor is a corporation or corporation trustee, Mortgagor hereby waives any and all rights of reinstatement and redemption from sale in any foreclosure of this Mortgage.

14. Possession of Property. Mortgagor agrees that upon the occurrence of an event of default, Lender shall be entitled, but is not required, to possession of the Property, without bond, subject to applicable law. Lender shall have all of the rights and privileges of a Mortgagee in possession provided by law, and shall be entitled to reimbursement for reasonable costs, expenses and third party management fees incurred in connection with such possession.

15. Assignment of Rents and Leases. Mortgagor assigns and transfers to Lender, as additional security for the Obligations, all rents which become or remain due or are paid under any agreement or lease for the use or occupancy of any part or all of the Property. Until the occurrence of an event of default under this Mortgage or any Obligation, Mortgagor has the right to collect the rents, issues and profits from the Property, but upon the occurrence of such an event of default, Mortgagor's license to collect is terminated and Lender shall be entitled to such rents, issues and profits and may, after giving Mortgagor any notice and opportunity to perform required by law, notify any or all tenants to pay all such rents directly to Lender. All such payments shall be applied in such manner as Lender determines to payments required under this Mortgage and the Obligations. This assignment shall be enforceable and Lender shall be entitled to take any action to enforce the assignment (including notice to the tenants to pay directly to Lender or the commencement of a foreclosure action) without seeking or obtaining the appointment of a receiver.

16. Receiver. Upon the commencement or during the pendency of an action to foreclose this Mortgage, or enforce any other remedies of Lender under it, without regard to the adequacy or inadequacy of the Property as security for the Obligations if the Mortgagee is entitled to possession of the Property pursuant to applicable law, then upon request of the Mortgagee, the court shall appoint a receiver of the Property (including homestead interest) designated by Lender without bond, and may empower the receiver to take possession of the Property and collect the rents, issues and profits of the Property and exercise such other powers as the court may grant until the confirmation of sale and the expiration of the redemption period, if any, and may order the rents, issues and profits, when so collected, to be held and applied as required by law.

17. Revolving Line of Credit. If this Mortgage secures a revolving line of credit then the revolving line of credit obligates Lender to make advances to Borrower provided that Borrower complies with all of the terms of the Borrower's note(s) or agreement. Such advances may be made, repaid and remade from time to time subject to the provisions of the Borrower's note(s) or agreement. Without limiting other provisions of this Mortgage addressing Obligations secured by this Mortgage, it is the intention of the Mortgagor and Lender that this Mortgage secures the balance outstanding under the Borrower's note(s) or agreement from time to time from zero up to the credit limit.

8. Mortgagor's Covenants. Mortgagor covenants:

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- (a) **Escrow.** If an escrow is required by Lender, to pay Lender sufficient funds, at such times as Lender designates, to pay when due (1) the estimated annual real estate taxes and assessments on the Property, (2) all property and hazard insurance premiums, (3) flood insurance premiums, if any, (4) if payments owed under the Obligations are guaranteed by mortgage guaranty insurance, the premiums necessary to pay for such insurance, and (5) other items agreed to be included in the escrow. Lender may, at any time, collect and hold such escrow funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Mortgagor's escrow account under the federal Real Estate Settlement Procedures Act of 1974, as amended from time to time. Lender may estimate the amount of escrow funds due on the basis of current data and reasonable estimates of future expenditures of future escrow account funds or as otherwise required by applicable law. Lender shall apply the escrowed funds against taxes, assessments and insurance premiums when due or as otherwise required by law. Escrowed funds may be commingled with Lender's general funds. If the escrowed funds held by Lender exceed the amount permitted to be held by applicable law, Lender shall account to Mortgagor for the excess escrowed funds in a manner determined by Lender or as otherwise required by applicable law. If the escrowed funds held by Lender at any time are not sufficient to pay the escrow account items when due, Lender may notify Mortgagor in writing, and Mortgagor shall pay to Lender the amount necessary to make up the deficiency in a manner determined by Lender or as otherwise required by applicable law;
- (b) **Condition and Repair.** To keep the Property in good and tenable condition and repair, and to restore or replace damaged or destroyed improvements and fixtures;
- (c) **Liens.** To keep the Property free from liens and encumbrances superior to the lien of this Mortgage and not described in paragraph 2 of this Mortgage;
- (d) **Other Mortgages.** To perform all of Mortgagor's obligations and duties under any other mortgage or security agreement on the Property and any obligation to pay secured by such a mortgage or security agreement;
- (e) **Waste.** Not to commit waste or permit waste to be committed upon the Property;
- (f) **Conveyance.** Not to sell, assign, lease, mortgage, convey or otherwise transfer any legal or equitable interest in all or part of the Property, or permit the same to occur without the prior written consent of Lender and, without notice to Mortgagor, Lender may deal with any transferee as to his interest in the same manner as with Mortgagor, without in any way discharging the liability of Mortgagor under this Mortgage or the Obligations;
- (g) **Alteration or Removal.** Not to remove, demolish or materially alter any part of the Property, without Lender's prior written consent, except Mortgagor may remove a fixture, provided the fixture is promptly replaced with another fixture of at least equal utility;
- (h) **Condemnation.** To pay to Lender all compensation received for the taking of the Property, or any part, by condemnation proceeding (including payments in compromise of condemnation proceedings), and all compensation received as damages for injury to the Property, or any part. The compensation shall be applied in such manner as Lender determines to rebuilding of the Property or to the Obligations in the inverse order of their maturities (without penalty for prepayment);
- (i) **Inspection.** Lender and its authorized representatives may enter the Property at reasonable times to inspect it, and at Lender's option to repair or restore the Property and to conduct environmental assessments and audits of the Property;
- (j) **Ordinances.** To comply with all laws, ordinances and regulations affecting the Property; and
- (k) **Subrogation.** That Lender is subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the proceeds of the note(s) or agreement identified above.

9. **Environmental Laws.** Mortgagor represents, warrants and covenants to Lender (a) that during the period of Mortgagor's ownership or use of the Property no substance has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about the Property in a form, quantity or manner which if known to be present on, under, in or about the Property would require clean-up, removal or some other remedial action ("Hazardous Substance") under any federal, state or local laws, regulations, ordinances, codes or rules ("Environmental Laws"); (b) that Mortgagor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner or person using the Property; (c) that, without limiting the generality of the foregoing, Mortgagor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components (PCBs) or underground storage tanks; (d) that there are no conditions existing currently or likely to exist during the term of this Mortgage which would subject Mortgagor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claims relating to any Hazardous Substance; (e) that Mortgagor is not subject to any court or administrative proceeding, judgment, decree, order or citation relating to any Hazardous Substance; and (f) that Mortgagor in the past has been, at the present is, and in the future will remain in compliance with all Environmental Laws. Mortgagor shall indemnify and hold harmless Lender, its directors, officers, employees and agents from all loss, cost (including reasonable attorneys' fees and legal expenses), liability and damage

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18. **Expenses.** To the extent not prohibited by law, Mortgagor shall pay all reasonable costs and expenses before and after judgment, including without limitation, attorneys' fees, fees and expenses for environmental assessments, inspections and audits, and fees and expenses for obtaining title evidence incurred by Lender in protecting or enforcing its rights under this Mortgage.

19. **Severability; Governing Law.** Invalidity or unenforceability of any provision of this Mortgage shall not affect the validity or enforceability of any other provision. The validity, construction and enforcement of this Mortgage are governed by the laws of Illinois.

20. **Successors and Assigns.** The obligations of all Mortgagors are joint and several. This Mortgage benefits Lender, its successors and assigns, and binds Mortgagor(s) and their respective heirs, personal representatives, successors and assigns.

21. **Entire Agreement.** This Mortgage is intended by the Mortgagor and Lender as a final expression of this Mortgage and as a complete and exclusive statement of its terms, there being no conditions to the full effectiveness of this Mortgage. No parol evidence of any nature shall be used to supplement or modify any terms.

Mortgagor acknowledges receipt of an exact copy of this Mortgage. Signed and Sealed SEPTEMBER 3, 2002
(Date)

*LASALLE NATIONAL TRUST N.A., SUCCESSOR
TO LASALLE NATIONAL BANK AS TRUSTEE (SEAL)

as aforesaid and set forth
by [Signature]
(Type of Organization)
TRUST OFFICER

SEE RIDER ATTACHED HERETO AND MADE A PART HEREOF

(SEAL) _____ (SEAL)
TRUSTEE _____ (SEAL) _____ (SEAL)

(SEAL) _____ (SEAL)

(SEAL) _____ (SEAL)

ACKNOWLEDGMENT

STATE OF ILLINOIS

County of Cook

The foregoing instrument was acknowledged before me on SEPTEMBER 13, 2002

by Thomas Popovics

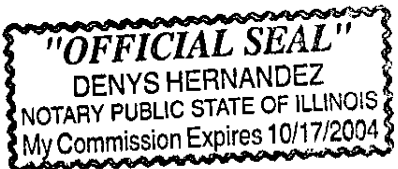
as Trust Officer

of LASALLE NATIONAL TRUST N.A.

a SUCCESSOR TO LASALLE NATIONAL BANK AS TRUSTEE

*Type or print name signed above.

* [Signature]
Notary Public, Illinois
My Commission (Expires)(Is) 10-17-04



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EXHIBIT A

21268267

THE NORTH 10 FEET OF LOT 31 AND ALL OF LOTS 32 TO 41 BOTH INCLUSIVE, IN BLOCK 2 IN THE SUBDIVISION OF THE WEST 1/2 OF THE SOUTH 1/2 OF THE WEST 1/2 OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN; ALSO LOTS 42, 43 AND 44 IN BLOCK 2 IN THE SUBDIVISION OF THE SOUTHWEST 1/4 OF THE WEST 1/2 OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN NO'S: 13-13-324-002, LOT 44; 13-13-324-003, LOT 43;
13-13-324-004, LOT 42; 13-13-324-005, LOT 41;
13-13-324-006, LOT 40; 13-13-324-007, LOT 39;
13-13-324-008, LOT 38; 13-13-324-009, LOTS 34
THROUGH 37; 13-13-324-010, THE NORTH PART OF LOT 32 AND ALL
OF LOT 33; and 13-13-324-011, THE NORTH PART OF LOT 31 AND
THE SOUTH PART OF LOT 32.

PROPERTY ADDRESS: 4027 N. KEDZIE AVE., CHICAGO, IL 60618

Cook County Clerk's Office

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LASALLE BANK NATIONAL ASSOCIATION
LAND TRUST DEPARTMENT
RIDER - ENVIRONMENTAL RIDER

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It is further agreed by the parties hereto that whenever and wherever the provisions of this Agreement contains any reference to the right of the party to be indemnified, saved harmless, or reimbursed by land trustee for any costs, claims, loss, fines, penalties, damage or expenses of any nature, including without limitation, attorney's fees, arising in any way out of the execution of this instrument or the relationship of the parties under this instrument, then such obligation, if any, shall be construed to be only a right of reimbursement in favor of a party out of the trust estate held under Trust No. 117781-07 from time to time, so far as the same may reach; and in no case shall any claim of liability or right of reimbursement be asserted against LaSalle Bank National Association, individually, all such personal liability, if any, being hereby expressly waived; and this agreement shall extend to and inure for the benefit of the parties hereto; their respective successors and assigns and all parties claiming by, through and under them. In event of conflict between terms of this rider and of the Agreement to which it is attached, or any question of apparent or claimed liability or obligations resting upon the said trustee, the exculpatory provision of the rider shall be controlling.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, covenants, undertakings, warranties and agreements herein made on the part of the trustee while in form purporting to be the representation covenants, undertakings, warranties, and agreements of said trustee are nevertheless each and every one of them, made and intended not as personal representations, covenants, undertakings, warranties, and agreements by the trustee or for the purpose or with the intention of binding said trustee personally but are made and intended for the purpose of binding only that portion of the trust property specifically described herein, and this instrument is executed and delivered by said trustee not in its own right, but solely in the exercise of the powers conferred upon it as such trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against LaSalle Bank National Association, on account of this instrument or on account of any representation, covenant, undertaking, warranty, or agreement of said trustee in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released. The trustee makes no personal representations as to nor shall it be responsible for the existence, location or maintenance of the chattels herein described, if any.

Any reference to Owner's use or control of the property should be construed to be that of the beneficiary of the land trust as LaSalle Bank National Association as land trustee has no right to perform such activities nor has it or will it ever assert management or control over the property. LaSalle Bank National Association, as Land Trustee, has no employees or agents employed or working on the property or engaged in the management or control of the property. LaSalle Bank National Association as Land Trustee does not warrant, indemnify, defend title nor is it responsible of any environmental damage.

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LASALLE BANK NATIONAL ASSOCIATION
LAND TRUST DEPARTMENT
RIDER - TRUST DEED OR MORTGAGE

RIDER ATTACHED TO AND MADE A PART OF THE TRUST DEED OR
MORTGAGE DATED 9-3-02 UNDER TRUST NUMBER 117781-07

This Mortgage or Trust Deed in the nature of a mortgage is executed by LaSalle Bank National Association, not personally, but as trustee under Trust Number 117781-07, in the exercise of the power and authority conferred upon and vested in it as such trustee (and said LaSalle Bank National Association hereby warrants that it possesses full power and authority to execute the instrument) and it is expressly understood and agreed that nothing contained herein or in the note, or in any other instrument given to evidence the indebtedness secured hereby shall be construed as creating any liability on the part of said mortgagor or grantor, or on said LaSalle Bank National Association, personally to pay said note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, either expressed or implied, herein contained, all such liability, if any, being hereby expressly waived by the mortgage or trustee under said Trust Deed, the legal owners or holders of the note, and by every person now or hereafter claiming any right or security hereunder, and that so far as the mortgagor or grantor and said LaSalle Bank National Association personally are concerned, the legal holders of the note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby mortgaged or conveyed for the payment thereof by the enforcement of the lien created in the manner herein and in said note provided or by action to enforce the personal liability of the guarantor or guarantors, if any. Trustee does not warrant, indemnify, defend title nor is it responsible for any environmental damage.