



This document was prepared by
and after recordation should be
mailed to:

Timothy J. Crowe
Bank of Lincolnwood
4433 West Touhy Avenue
Lincolnwood, Illinois 60712

MORTGAGE

THIS MORTGAGE (the "Mortgage") is made as of January 7, 2003, by QRT, Inc., a corporation organized and existing under the laws of the State of Illinois with its principle place of business located at 7303 N. Cicero, Lincolnwood, Illinois 60712 ("Mortgagor") in favor of Bank of Lincolnwood located at 4433 West Touhy Avenue, Lincolnwood, Illinois 60712 ("Mortgagee").

RECITALS

A. The Loan. Mortgagor is the owner of the premises commonly known as 6149 South Loomis, Chicago, Illinois 60636, having the Permanent Real Estate Index Number(s) 20-17-320-025, and legally described on Exhibit A attached hereto (the "Premises"), together with all improvements thereon. To provide funds for the Mortgagor, Mortgagee and Mortgagor have entered into a Revolving Credit Agreement dated September 5, 2002 (the "Agreement") providing for, among other things, loans and advances to be made from time to time by Mortgagee to the Mortgagor pursuant to the terms and conditions set out therein, in an amount not to exceed Four Hundred Fifty Thousand and 00/100s Dollars (\$450,000.00) (the "Loan").

B. The Note and Other Loan Documents. Pursuant to the Agreement, Mortgagor executed and delivered to the Mortgagee a Revolving Business Loan Note dated September 5, 2002, due and payable in full if not sooner paid on or before June 30, 2004, subject to acceleration or extension as provided in the Note or the other Related Documents (as defined in the Agreement) in the original principal amount of \$450,000.00 (herein, such promissory note, together with any and all amendments or supplements thereto, extensions thereof and notes which may be taken in whole or partial renewal, substitution or extension thereof or which may evidence any of the indebtedness secured hereby, shall herein be called the "Note"). The principal balance from time to time unpaid under the Note shall bear interest at the rate per annum as set forth in the Note and the all principal and interest on the Note are payable in lawful money of the United States of America at the office of the Mortgagee at 4433 West Touhy Avenue, Lincolnwood, IL 60712 or at such place as the holder thereof may from time to time appoint in writing.

C. The Secured Obligations. As used in this Mortgage, the term "Secured Obligations" means and includes all of the following: the principal of and interest on the Note; all indebtedness of any kind arising under, and all amounts of any kind which at any time become due or owing to the Mortgagee under or with respect to the Note, the Agreement, this Mortgage or any of the Related Documents including, without limitation, release fees under the Agreement; the due and punctual performance, observance and payment of all of the covenants, obligations and agreements to be performed, observed or paid by any party thereto, other than Mortgagee in, under or pursuant to the Note, the Loan Agreement, this Mortgage, and all of the Related Documents, and all advances, costs or expenses paid or incurred by

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1. Mortgagor shall (i) promptly repair, restore or rebuild any building or other improvements now or hereafter on the Premises which may become damaged or destroyed, (ii) keep the Premises in good

COVENANTS, CONDITIONS AND AGREEMENTS OF MORTGAGOR

THIS MORTGAGE SECURES MANDATORY FUTURE ADVANCES TO BE MADE FROM TIME TO TIME IN ACCORDANCE WITH THE AGREEMENT

TO HAVE AND TO HOLD the Premises unto Mortgagee, its successors and assigns forever, hereby expressly waiving and releasing any and all right, benefit, privilege, advantage or exemption under and by virtue of any and all statutes and laws of the State or other jurisdiction in which the Real Estate is located providing for the exemption of homesteads from sale on execution otherwise.

MORTGAGOR HEREBY MORTGAGES, CONVEYS, TRANSFERS AND ASSIGNS TO MORTGAGEE AND ITS SUCCESSORS AND ASSIGNS, FOREVER, AND HEREBY GRANTS TO MORTGAGEE AND ITS SUCCESSORS AND ASSIGNS FOREVER A CONTINUING SECURITY INTEREST IN AND TO ALL OF THE COLLATERAL.

NOW THEREFORE, for and in consideration of Mortgagee's making the proceeds of the loan available to Mortgagee and any other financial accommodation to or for the benefit of Mortgagee, consideration of the various agreements contained herein and in the Related Documents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Mortgagor, and in order to secure the full, timely and proper payment and performance of each and every one of the Secured Obligations:

GRANT

Collateral. The term "Collateral," for purposes of this Mortgage, means and includes all of the Premises described on Exhibit A attached hereto, together with any and all (i) improvements, tenements, rights, easements, hereditaments, fixtures, rights of way, privileges, liberties, appendages and appurtenances now or hereafter belonging or in any-wise appertaining to the Premises; (ii) buildings, structures, replacements, furnishings, fixtures, fittings and other improvements and property of every kind and character now or hereafter located or erected on the Premises; (iii) equipment or articles therein or thereon used to supply heat, gas, air conditioning, water, light, power; (iv) doors, windows, floor coverings, stoves, heaters; (v) rents; and (vi) proceeds of all insurance relating to any of the foregoing.

the Mortgagee to protect any or all of the Collateral (hereinafter defined), perform any obligation of the Mortgagee herunder or collect any amount owing to the Mortgagee which is secured hereby; any and all other liabilities, obligations and indebtedness, howsoever created, arising or evidenced, direct or indirect, absolute or contingent, recourse or nonrecourse, now or hereafter existing or due or to become due, owing by the Mortgagee to the Mortgagee including obligations under the "Facility" as defined in the Credit Agreement (provided, however, that the maximum amount included within the Secured Obligations on account of principal shall not exceed the sum of an amount equal to two times the original principal amount of the Note plus the total amount of all advances made by the Mortgagee from time to time to protect the Collateral and the security interest and lien created hereby); interest on all of the foregoing; and all costs of enforcement and collection of the Note, the Agreement, this Mortgage and the Related Documents, if any, and the Secured Obligations.

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7. When any of the Secured Obligations become due (whether by acceleration or otherwise), Mortgagee shall have the right to foreclose the lien created hereby. In any suit to foreclose, there shall be allowed and
6. Mortgagee shall be entitled to the Secured Obligations including, without limitation, principal and interest, when due, according to the terms hereof and the terms of the Note, the Agreement and the Related Documents. At the option of the Mortgagee and without notice to the Mortgagor, all the Secured Obligations shall become due and payable immediately in the case of default in making any payment of principal or interest under the Note or the occurrence of an event of default under the Agreement or any of the Related Documents.
5. The Mortgagee making any payment hereby authorized relating to taxes or assessments, may do so according to any bill, statement or estimate procured from the appropriate public office 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.
4. In case of default hereunder or under the Note, Agreement or Related Documents, Mortgagee may, but need not, make any payment or perform any act hereunder required of Mortgagee 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 purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale, or forfeiture affecting the Premises or contest any tax or assessment. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorney's fees (whether for in-house or specially retained counsel), and any other monies advanced by Mortgagee to protect the Premises and the lien created by this Mortgage, shall be so much additional indebtedness and part of the Secured Obligations secured hereby, and shall become immediately due and payable without notice and with interest thereon at the default rate provided in the Note. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to the Mortgagee on account of any default hereunder or under the Note, Agreement or Related Documents by the Mortgagor.
3. Mortgagee shall keep all buildings and improvements now or hereafter situated on said Premises insured against loss or damage by fire, lightning, and other hazards under policies providing for payment by the insurance companies of moneys sufficient either to pay the cost of replacing or repairing the same or to pay in full the Purchase Price (as defined in the Agreement) of the Premises, all in companies satisfactory to the Mortgagee, under insurance policies payable, in the case of loss or damage to Mortgagee, such rights to be evidenced by the standard mortgage and loss payee clauses, and shall deliver all policies (including any renewal) to the Mortgagee.
2. Mortgagee shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the Premises when due, and shall, upon written request, furnish to the Mortgagee duplicate receipts therefor. To prevent default hereunder, Mortgagee shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagee may desire to contest.
- Mortgagee, provide evidence of such payment, (iv) comply with all requirements of law or ordinances with respect to the Premises and use thereof; and (v) not make any material alteration to Premises except as required by law or ordinance.
- condition and repair, without waste, and free from liens including, without limitation, mechanic's liens, (iii) pay when due any indebtedness secured by a lien or charge against the Premises and, if requested by Mortgagee, provide evidence of such payment, (iv) comply with all requirements of law or ordinances with respect to the Premises and use thereof; and (v) not make any material alteration to Premises except as required by law or ordinance.

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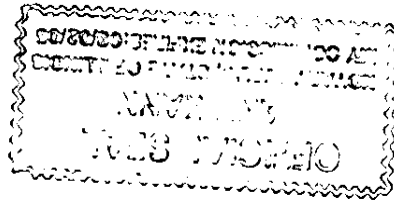
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Notary Public

[Signature]

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first written above.

On this 7 day of January, 2003, before me appeared Brian Urbanowski, me personally known, who, being by me duly sworn, did say that he is a President of QRT, INC., and that he/she executed the foregoing instrument as such for the purposes therein stated of his/her and its own free will and volition.

COUNTY OF COOK

) SS

STATE OF ILLINOIS

Its: President

By: Brian Urbanowski

QRT, INC.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Mortgage in Lincolnwood, Illinois as of the day and year first above written

15. The Mortgage and all the provisions hereof, shall extend to and be binding upon Mortgagee and all persons claiming under or through Mortgagee, and the word "Mortgagee" when used shall include all such persons and all persons liable for the payment of the Secured Obligations or other amounts hereunder. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein and the holder or holders from time to time of the Note secured hereby.

14. Mortgagee shall release this mortgage and lien by proper instrument upon payment of the Secured Obligations and in accordance with the terms of the Agreement.

created by this Mortgage and all provisions hereof shall continue in full force, the right of recourse against all such person being express reserved by the Mortgagee, notwithstanding such extension, variation or release.

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P.I.N.: 20-17-320-025

LOT 25 IN BLOCK 2 IN RICHARD S. COX JR.'S SUBDIVISION OF 10 ACRES IN THE SOUTHEAST 1/4 OF THE
SOUTHWEST 1/4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN,
IN COOK COUNTY, ILLINOIS.

LEGAL DESCRIPTION

6149 South Loomis, Chicago, Illinois 60636

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