

MORTGAGE



0030249194

THIS MORTGAGE ("Mortgage") is made this 20 day of February, 2003, by Stephen Hall, of Chicago, Illinois, as Mortgagor, and Keep On Count'n Inc. d/b/a Ride Rite Autos, an Illinois corporation, as joint borrower on that Note described below (both parties collectively referred to herein as "Mortgagor") to Manheim Services Corp. d/b/a Greater Chicago Auto Auction, a Delaware corporation with principal place of business located at 12161 South Cicero Ave., Chicago, Illinois ("Mortgagee"),

RECORDER'S STAMP

WITNESSETH:

In consideration of the sum of One Hundred Thirteen Thousand Six Hundred Fifty Nine and 27/100s Dollars (\$113,659.27) owing by Mortgagor to Mortgagee, the receipt of which sum is hereby acknowledged, the Mortgagor does mortgage and warrant unto Mortgagee, and the successors and assigns of Mortgagee, the real estate situated in the County of Cook, State of Illinois, and legally described in Exhibit A which is attached hereto and made a part of this Mortgage ("Encumbered Property").

Address of Premises: 8445 S. South Chicago Street, Chicago, Illinois 60617
Property Index Numbers: 20-36-408-015-0000; 20-36-408-016-0000; & 20-36-408-017-0000

TOGETHER with all easements, rights-of-way, licenses, privileges, and appurtenances thereunto belonging, and all the rents, issues and profits therefrom; and also all the estate, right, title and interest of Mortgagor, either at law or in equity, of, in and to the premises herein described, and every part thereof;

TOGETHER with all right, title and interest, if any, of Mortgagor, in and to the land lying within any street or roadway adjoining the above described real estate of Mortgagor.

TOGETHER with all buildings, and improvements now or hereinafter erected thereon; and, also, all fixtures of every kind and nature whatsoever, now or hereafter affixed to the said premises, or any part thereof.

TO HAVE AND TO HOLD the above granted and mortgaged premises with the privileges and appurtenances thereunto belonging, with all rents, issues and profits therefrom, unto Mortgagee, and the successors and assigns of Mortgagee, for the uses and purposes herein expressed. Mortgagor covenants that at and until the execution and delivery of this mortgage, Mortgagor, or any one of them, are well seized of the premises, in fee simple, and any one or more of the Mortgagors have good right and full power to grant, bargain, sell, convey, and mortgage the same in the manner and form written; and that the same are free from all liens and encumbrances whatsoever, excepting only the lien of general taxes not yet due and payable and such other restrictions or encumbrances of record as are acceptable to Mortgagee; and that Mortgagor will defend the premises with the privileges and appurtenances thereunto belonging to Mortgagee, and the heirs, successors and assigns of Mortgagee, forever, against all lawful claims and demands whatsoever.

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THIS MORTGAGE IS GIVEN TO SECURE:

(a) Payment of the indebtedness evidenced by the certain promissory note dated as of February ____, 2003, in the principal amount of One Hundred Thirteen Thousand Six Hundred Fifty Nine and 27/100 Dollars (\$113,659.27) made and delivered by Mortgagor to Mortgagee (the "Note"); (b) Performance of each and every one of the covenants, conditions, or agreements contained in this Mortgage and the Note; and (c) Any extensions, renewals or modifications of the Note or this Mortgage.

MORTGAGOR HEREBY COVENANTS AND AGREES THAT:

Mortgagor will pay the principal and interest of the indebtedness evidenced by the Note and any other indebtedness secured hereby, in accordance with the Note and at the times and in the manner therein provided.

Mortgagor will pay all taxes, assessments, and other similar charges levied upon the Encumbered Property before the same become delinquent. In default thereof, Mortgagee may, upon notice to Mortgagor, pay such taxes, assessments, and other similar charges, including any penalties or interest thereon (the receipt from the proper officer therefore shall be conclusive evidence of the due date, amount and validity of Mortgagor's obligation) and any amount so paid by Mortgagee shall become immediately due and payable by Mortgagor and payment thereof shall be secured by this Mortgage.

Mortgagor will maintain during the continuance of this Mortgage and until the same is fully satisfied and released, a policy or policies of insurance insuring all improvements now existing or hereafter erected on the Encumbered Property against loss or damage by fire, lightning, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, smoke. All policies of insurance required hereunder shall be in such form, with such companies, and to the replacement value of all improvements upon the Encumbered Property, now or hereafter erected, the replacement value being in such amount as is acceptable to Mortgagee, and if requested by Mortgagee, shall contain a Mortgagee clause acceptable to Mortgagee with loss payable to Mortgagee. Mortgagor will promptly pay when due any premiums on any policy or policies of insurance required hereunder. Upon Mortgagor's failure to comply with the requirements of this paragraph, Mortgagee may, in its discretion and upon notice to Mortgagor, effect any insurance required hereunder.

In the event of any loss or damage, Mortgagor will give immediate notice thereof to Mortgagee. All proceeds of insurance, in the event of such loss or damage, shall be payable first to Mortgagee and any affected insurance company is authorized and directed to make payment thereof directly to Mortgagee. Mortgagor shall settle, adjust, or compromise any claims for loss, damage, or destruction under any policy or policies of insurance. All such insurance proceeds shall be applied to and in reduction of any indebtedness secured hereby, whether or not then due and payable.

Mortgagor will maintain the Encumbered Property in good condition and repair and will not commit or suffer any waste thereof, reasonable wear and tear excepted. Mortgagor will comply with, or cause to be complied with, all statutes, ordinances, regulations, or requirements of any governmental authority relating to the Encumbered Property, and will promptly repair, restore, replace, or rebuild any part of the Encumbered Property now or hereafter subject to the lien of this Mortgage which may be damaged or destroyed by any casualty or as the result of any condemnation proceeding or exercise of the right of eminent domain, or by an alteration of the grade of any street affecting the Encumbered Property as hereinafter referred. None of the buildings, structures, or improvements now or hereafter erected or located on the Encumbered Property shall be removed, demolished, or substantially or structurally altered in any respect without the prior written consent of Mortgagee.

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If all or any part of the Encumbered Property are damaged, taken, or acquired, either temporarily or permanently, in any condemnation proceeding, or by exercise of the right of eminent domain, or by the alteration of the grade of any street affecting the Encumbered Property, the amount of any award or other payment for such taking or damages made in consideration thereof, to the extent of the full amount of the then remaining unpaid indebtedness secured hereby and subject to the rights of any prior Mortgagee shall be paid to Mortgagee.

If Mortgagee shall incur or expend any sums, including without limitation reasonable attorney's fees, whether in connection with any action or proceeding or not, by reason of this Mortgage or to sustain the lien of this Mortgage or its first priority, or to protect or enforce any of Mortgagee's rights hereunder, or to recover any indebtedness hereby secured, all such sums shall become immediately due and payable by Mortgagor.

At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures as part of the indebtedness the payment of all loan commissions, service charges, liquidated damages, attorneys' fees, expenses and advances due to or incurred by Mortgagee in connection with the indebtedness and the Encumbered Property, all in accordance with the Note and this Mortgage, provided, however, that in no event shall the total amount of the indebtedness due hereunder, including loan proceeds disbursed plus any additional charges, exceed two hundred percent (200%) of the face amount of the Note.

Mortgagor will not assign, in whole or in part, the rents, income, or profits arising from the Encumbered Property, or any lease thereof, without the prior written consent of Mortgagee, or in any other manner impair the security of this Mortgage for the payment of the indebtedness secured hereby.

Mortgagor further covenants that Mortgagor shall not, without the prior written consent of Mortgagee, effect, suffer or permit any "Prohibited Transfer" (as defined herein). Any conveyance, sale, assignment, transfer, lien, pledge, Mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties or interests shall constitute a "Prohibited Transfer" shall mean the Encumbered Property or any part thereof or interest therein or if Mortgagor is a trustee, then all or any portion of the beneficial interest or power of direction in or to the trust under which the Mortgagor is then acting;

Mortgagor hereby waives, to the full extent it may lawfully do so, the benefit of all appraisement, valuation, exemption, stay, redemption, and extension statutes, laws or equities now or hereafter in force and all rights of marshaling of assets in the event of any sale of the Encumbered Property, or any part thereof or any interest therein, and any court having jurisdiction to foreclose the lien hereof may sell the Encumbered Property in part or as an entirety. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights to redemption and reinstatement under the Illinois Mortgage Foreclosure Act, 736 ILCS 5/15-1101 et seq. (1993) (the "Act"). To the full extent permitted by law, Mortgagor agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Mortgagee, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note. If the Mortgagor is a trustee, Mortgagor represents that the provisions of this Paragraph (including the waiver of redemption rights) were made at the express direction of Mortgagor's beneficiaries and the persons having the power of direction over Mortgagor and are made on behalf of the trust estate of Mortgagor and all beneficiaries of Mortgagor, as well as all other persons named above. Mortgagor acknowledges that the Encumbered Property do not constitute agricultural real estate as defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act.

Mortgagor represents that it is currently in compliance with, and covenants and agrees that, it will manage and operate the Encumbered Property and will cause each tenant to occupy its demised portion of the Encumbered Property in compliance with, all federal, state and local laws, rules, regulations and ordinances regulating, without limitation, air pollution, soil and water pollution, and the use, generation, storage, handling or disposal of hazardous or toxic substances or

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other materials (including, without limitation, raw materials, products, supplies or wastes). Mortgagor further covenants and agrees that it shall not install or permit to be installed in the Encumbered Property asbestos or any substance containing asbestos and deemed hazardous by or in violation of federal, state or local laws, rules, regulations or orders respecting such material. Mortgagor shall remove from the Encumbered Property and dispose of any such hazardous or toxic substances of other materials in a manner consistent with and in compliance with applicable laws, rules, regulations and ordinances and shall take any and all other action to remedy, rectify, rehabilitate and correct any violation of any applicable law, rule, regulation or ordinance concerning toxic or hazardous substances or any violation of any agreement entered into between Mortgagor, Mortgagee and/or any third party with respect to hazardous substances. Mortgagor shall send to lender within five (5) days of receipt thereof, any citation, notice of violation or other notice of potential liability from any governmental or quasi-governmental authority empowered to regulate or oversee any of the foregoing activities. Mortgagor agrees to indemnify, defend with counsel reasonably acceptable to Mortgagee (at Mortgagor's sole cost), and hold Mortgagee harmless against any claim, response or other costs, damages, liability or demand (including, without limitation, reasonable attorneys' fees and costs incurred by Mortgagee) arising out of any claimed violation of Mortgagor of any of the foregoing laws, regulations or ordinances or breach of any of the foregoing covenants or agreements. The foregoing indemnity shall survive repayment of the Indebtedness hereunder and under the Note.

Whenever used in this Mortgage, unless the context shall otherwise clearly require, the term "Mortgagor" shall include the heirs, successors and assigns of Mortgagor, and all persons claiming by, through or under Mortgagor including, without limitation, all beneficiaries under an Illinois land trust; the term "Mortgagee" shall include the successors and assigns of Mortgagee; the term "Note" shall refer to the promissory note and any other note evidencing indebtedness hereby secured; the term "person" shall include, any individual, partnership, joint venture, corporation, trustee, trust beneficiary, or unincorporated association; the term "Encumbered Property" shall include the real estate described herein, together with all buildings, structures, and improvements thereon, and all fixtures referred to herein, and any and all other right, property, or interests at any time subject to the lien of this Mortgage; the singular shall include the plural, and the plural, the singular; the gender used shall include the other genders.

All of the terms, covenants, conditions, and agreements herein set forth shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. In the event that any provision of this Mortgage conflicts with applicable state or federal law, such conflict shall not affect any other provision of this Mortgage which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage are declared to be severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of the remaining portions of said provision or any other provisions of this Mortgage.

If default shall be made in any condition or covenant herein, or in the Note, then after fifteen (15) days in the instance of a monetary default, and fifteen (15) days in the instance of a non-monetary default, and without notice to said Mortgagor (notice being hereby waived), the Mortgagee may, at its option and without affecting the lien hereby created or the priority of said lien or any other right of Mortgagee hereunder, declare, without further notice, all indebtedness immediately due with interest, whether or not such default be thereafter remedied by Mortgagor, and Mortgagee may immediately proceed to foreclose this Mortgage and to exercise any right provided by this Mortgage or the Note or otherwise. Any failure to exercise this option to accelerate any liability of Mortgagor shall not constitute a waiver of the right to exercise the same at any other time. It is agreed that "default", under this Mortgage and for purposes of the Note, shall embrace and include (a) any action in bankruptcy, receivership, or reorganization filed by or against Mortgagor or other party liable on the Note which is not dismissed within sixty (60) days after the filing of same, or (b) the occurrence of any judgment or proceeding entered or brought against Mortgagor by any person affecting the Encumbered Property or to foreclose any lien thereon, or (c) the occurrence of an Event of Default as defined in the Note or (d) the sale, assignment, mortgage or other disposition of the Encumbered Property or (e) death of Mortgagor.

Upon the commencement or during the pendency of any action to foreclose this Mortgage, the court in which such action is brought may appoint a receiver for the Encumbered Property, and may empower said receiver to collect the rents, issues and profits of the Encumbered Property during the pendency of such foreclosure action, and until the confirmation of

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sale made under any judgement foreclosing this Mortgage may order such rents, issues and profits, when so collected, to be held and applied, as the court shall from time to time direct.

If Mortgagor shall pay to Mortgagee the said sums of money described in the Note in the manner and at the times mentioned in the Note, and any and all other sums which may become payable by Mortgagor hereunder, and shall fully keep and perform the terms, covenants, conditions, and agreements hereof by Mortgagor to be kept and performed, then this Mortgage and the estate hereby granted shall cease and be void, and said Mortgage shall thereupon be released by the Mortgagee at the cost and expense of Mortgagor.

IN WITNESS WHEREOF, the said Mortgagor has duly executed and delivered this Mortgage the date and year first above written.

MORTGAGOR:

Keep On. Count'n Inc. d/b/a Ride Rite Autos

By: Stephen Hall
Its President

Stephen Hall
Stephen Hall

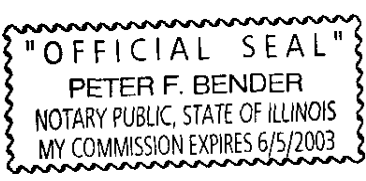
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STATE OF ILLINOIS)
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for said County in the State aforesaid, do hereby certify that Stephen Hall and Stephen Hall, as an officer of Keep On Count'n Inc. d/b/a Ride Rite Autos and having the authority to sign on behalf of said corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered this instrument as their free and voluntary act.

Given under my hand and official seal this 20th day of February, 2003.



Peter F. Bender
Notary Public

This instrument was prepared by and should be returned to:

Nisen & Elliott, c/o Bradley S. McCann, 200 West Adams Street, Suite 2500, Chicago, Illinois 60606



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EXHIBIT A

LEGAL DESCRIPTION

LOTS 305, 306 AND 307 IN E.B. SHOGREN AND COMPANY'S JEFFREY HIGHLANDS, IN THE NORTHWEST 1/ 4 OF THE SOUTH EAST 1/ 4 LYING NORTHEAST OF THE L.S. AND M.S. RAILROAD, ALL IN SECTION 36, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS ACCORDING TO THE PLAT THEREOF FILED IN THE REGISTRAR'S OFFICE OCTOBER 26, 1916 AS DOCUMENT LR 65981

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