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MORTGAGE

THIS MORTGAGE ("Mortgage") dated May 19, 2003, is made and executed by GEM Partners, LLC, an Illinois whose address is 11952 S. Harlem, Palos Heights, Illinois 60463 (referred to below as "Grantor") to and for the benefit of Volmer Executive Center, LLC, P.O. Box 2697, Homewood, Illinois 60430 whose address is (referred to below as "Lender").



0314019101

Eugene "Gene" Moore Fee: \$32.50
Cook County Recorder of Deeds
Date: 05/20/2003 12:15 PM Pg: 1 of 5

Pursuant to the terms and conditions of a Note of even date herewith (as amended, restated or replaced from time to time "Note") between Grantor and Lender, Grantor has agreed to loan to Grantor the principal amount of \$50,000 ("Loan") due on November 19, 2003 ("Maturity Date"), except as may be accelerated pursuant to the terms hereof or of the Note or the other document evidencing or securing the Note ("Related Documents"). The Note contains certain other terms and conditions that govern this Mortgage. A condition precedent to Lender's extension of the Project Loan to Grantor is the execution and delivery by Grantor of this Mortgage.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor agrees as follows:

GRANT OF MORTGAGE. Grantor mortgages, warrants, and conveys to Lender all of Grantor's right, title, and interest in and to the real property described on Exhibit "A" attached hereto and made a part hereof, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, water courses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, and together all of Grantor's right, title and interest in and to the Personal Property.

THIS MORTGAGE INCLUDING THE SECURITY INTEREST IN THE PERSONAL PROPERTY IS GIVEN TO SECURE (i) THE PAYMENT OF A CERTAIN PROMISSORY NOTE (THE "NOTE") OF EVEN DATE HERewith EXECUTED BY GRANTOR FOR THE BENEFIT OF LENDER IN THE PRINCIPAL AMOUNT OF \$50,000 AND ALL INTEREST, LATE CHARGES, AND OTHER INDEBTEDNESS EVIDENCED BY OR OWING UNDER THE NOTE OR ANY OF THE RELATED DOCUMENTS EXECUTED BY GRANTOR IN CONNECTION WITH THE NOTE TOGETHER WITH ANY EXTENSIONS, MODIFICATIONS, RENEWALS OR REFINANCING OF ANY OF THE FOREGOING; (ii) THE PERFORMANCE AND OBSERVANCE OF THE COVENANTS, CONDITIONS, AGREEMENTS, REPRESENTATIONS, WARRANTIES, AND OTHER LIABILITIES AND OBLIGATIONS OF GRANTOR OR ANY OTHER OBLIGOR TO OR BENEFITTING LENDER WHICH ARE EVIDENCED OR SECURED BY OR OTHERWISE PROVIDED IN THE NOTE, THIS MORTGAGE OR ANY OF THE OTHER RELATED DOCUMENTS; AND (iii) THE REIMBURSEMENT TO LENDER OF ANY AND ALL SUMS INCURRED, EXPENDED OR ADVANCED BY LENDER PURSUANT TO ANY TERM OR PROVISION OF OR CONSTITUTING ADDITIONAL INDEBTEDNESS UNDER OR SECURED BY THIS MORTGAGE, ANY OF THE RELATED DOCUMENTS WITH INTEREST THEREON AS PROVIDED HEREIN OR THEREIN.

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FUTURE ADVANCES. Specifically, without limitation, this Mortgage secures, in addition to the amounts specified in the Note, all future amounts Lender in its discretion may loan to Grantor, together with all interest thereon.

SECURITY AGREEMENT. This instrument shall constitute a Security Agreement, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

FULL PERFORMANCE. If Grantor pays all the Indebtedness, including without limitation all future advances, when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property.

REINSTATEMENT OF SECURITY INTEREST. If payment is made by Grantor, whether voluntarily or otherwise, or by guarantor or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment (A) to Grantor's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, (B) by reason of any judgment, decree or order of any court or administrative body having jurisdiction over Lender or any of Lender's property, or (C) by reason of any settlement or compromise of any claim made by Lender with any claimant (including without limitation Grantor), the Indebtedness shall be considered unpaid for the purpose of enforcement of this Mortgage and this Mortgage shall continue to be effective or shall be reinstated, as the case may be, notwithstanding any cancellation of this Mortgage or of any note or other instrument or agreement evidencing the Indebtedness and the Property will continue to secure the amount repaid or recovered to the same extent as if that amount never had been originally received by Lender, and Grantor shall be bound by any judgment, decree, order, settlement or compromise relating to the Indebtedness or to this Mortgage.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

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Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Insecurity. Lender, in its commercially reasonable judgment, believes that Grantor will be unable to pay its obligations when due.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code or as defined in the Loan Agreement:

Indebtedness means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents, as well as all claims by Lender against Grantor or any one or more of them whether now existing or hereafter arising, related to the purpose of the Note, whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

Note means the promissory note dated May 19, 2003, in the original principal amount of \$50,000 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Personal Property means all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions of, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Premises means collectively the Real Property and the Personal Property.

Prohibited Transfer shall have the meaning given thereto in the Loan Agreement.

Real Property means the real property, interests and rights, as further described in this Mortgage.

Related Documents means all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

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EXHIBIT A

THE SOUTH 22.00 FEET OF THE EAST 32.00 FEET OF LOT 41; LOT 42 (EXCEPT THAT PART OF THE WEST 11.00 FEET LYING NORTH OF THE SOUTH 22.00 FEET THEREOF); AND ALL OF LOTS 43 TO 47, BOTH INCLUSIVE, IN BRADLEY TERRACE, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 35 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 23, 1956 AS DOCUMENT NUMBER 16501414, IN COOK COUNTY, ILLINOIS.

ADDRESS: 227 VOLLMER ROAD, CHICAGO HEIGHTS, ILLINOIS

PINS: 32-18-213-004-0000
32-18-213-005-0000
32-18-213-006-0000
32-18-213-007-0000
32-18-213-008-0000
32-18-213-050-0000

~~W/S~~

After Recording, Return To:

Gregg A. Garofalo, Esq.
Deutsch, Levy & Engel, Chartered
225 W. Washington St., Ste. 1700
Chicago, IL 60606