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THIS INSTRUMENT PREPARED BY:

Henry Kite
Suite 500
555 Skokie Blvd.
Northbrook, IL 60062



Eugene "Gene" Moore Fee: \$38.50
Cook County Recorder of Deeds
Date: 07/31/2003 01:40 PM Pg: 1 of 8

MAIL TO:

Henry Kite
Apt. 17H
1440 N. Lake Shore Drive
Chicago, IL 60610

MORTGAGE

THIS MORTGAGE is given on July 31, 2003. The mortgagor is **VOLLMER DEVELOPMENT GROUP, L.L.C. an Illinois Limited Liability Company** ("Borrower").

This Mortgage is given to **ANDREW LEE**, whose address is 6603 W. Beckwith, Morton Grove, IL 60653 and **HENRY KITE, NOT INDIVIDUALLY, BUT AS TRUSTEE OF HENRY KITE AND ASSOCIATES DEFINED BENEFIT PENSION PLAN & TRUST**, whose address is 1440 N. Lake Shore Dr., Chicago, IL 60611, (both hereinafter collectively referred to as "Lender").

Borrower owes Lender the combined principal sum of **NINE HUNDRED THOUSAND AND 00/100 Dollars(U.S. \$900,000.00)**. This debt is evidenced by a series Borrower's Notes ("Notes"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on **February 1, 2004**. This Mortgage secures to Lender: (a) the repayment of the debt evidenced by the Notes, with interest, and all renewals, extensions and modifications of the Notes; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Mortgage; and (c) the performance of Borrower's covenants and agreements under this Mortgage and the Notes.

Borrower does hereby mortgage, grant and convey to Lenders the property located in Cook County, Illinois, described in Exhibit "A" attached hereto and made a part hereof, **TOGETHER WITH** all the improvements now or hereafter erected on the property with all easements, appurtenances and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by the Mortgage; All of the foregoing is referred to in this Mortgage as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands subject to any encumbrances of record.

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LENDER AGREES that the Mortgage being granted herein is subordinate to the following mortgages:

- (A) Commercial mortgage dated January 30, 2003 and recorded January 31, 2003 as Document No. 0030149940, made by Vollmer Development Group, LLC, to Republic Bank of Chicago, to secure a Note in the originally stated principal amount of \$3,231,000.
- (B) Mortgage dated January 30, 2003 and recorded January 31, 2003 as Document No. 0030149942, made by Vollmer Development Group, LLC, to George Washington Savings Bank, to secure a Note in the originally stated principal amount of \$359,000, and the terms and conditions thereof.

THIS MORTGAGE combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform Mortgage concerning real property.

Borrower under covenant agrees as follows:

1. Payment of Principal, Interest, and Late Charges.

Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Notes and any prepayment and late charges due under the Notes.

2. *Intentionally deleted.*

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lenders under paragraph 1 shall be applied first to any prepayment charges due under the Notes; second, to interest due; third, to principal due; and last, to any late charges due under the Notes.

4. Charges; Liens.

Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Mortgage, and leasehold payments or ground rents, if any. Borrower shall pay these obligations. Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lenders all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lenders receipts evidencing the payments. Borrower shall promptly discharge any lien which has priority over this Mortgage unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lenders; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lenders opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lenders subordinating the lien to this Mortgage. If Lenders determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, Lenders may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lenders

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requires insurance. This insurance shall be maintained in the amounts and for the periods that Lenders requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lenders approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lenders may, at Lenders option, obtain coverage to protect Lenders rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lenders and shall include a standard mortgage clause. Borrower will secure a Certificate of Insurance showing the mortgage clause, including the mailing address of Henry Kite, Trustee. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lenders may make proof of loss if not made promptly by Borrower.

Unless Lenders and Borrower otherwise agree in writing, insurance proceeds shall be applied to repayment of the Notes secured by this Mortgage, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lenders that the insurance carrier has offered to settle a claim, then Lenders may collect the insurance proceeds. Lenders may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lenders and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments.

6. Occupancy, Presentation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lenders' good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Mortgage or Lenders security interest. Borrower may cure such a default and reinstate, as provided in paragraph 15, by causing the action or proceeding to be dismissed with a ruling that, in Lenders good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Mortgage or Lenders security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lenders (or failed to provide Lenders with any material information) in connection with the loan evidenced by the Notes, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Mortgage is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lenders agrees to the merger in writing.

7. Protection of Lenders Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Lenders rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lenders may do and pay for whatever is necessary to protect the value of the Property and Lenders rights in the Property. Lenders actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lenders may take action under this paragraph 7. Lender does not have to do so.

Any amounts disbursed by Lenders under this paragraph 7 shall become additional debt

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of Borrower secured by this Mortgage, Unless Borrower and Lenders agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Notes rate and shall be payable, with interest, upon notice from Lenders to Borrower requesting payment.

8. Mortgage insurance. If Lenders required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lenders lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lenders. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lenders each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lenders will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lenders, if mortgage insurance coverage (its the amount and for the period that Lenders requires) provided by an insurer approved by Lenders again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lenders or applicable law.

9. Inspection. Lenders or its agent may make reasonable entries upon and inspections of the Property. Lenders shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation, The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lenders.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Mortgage immediately before the taking, unless Borrower and Lenders otherwise agree in writing, the sums secured by this Mortgage shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lenders otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Mortgage whether or not the sums are then due. If the Property is abandoned by Borrower, or if, after notice by Lenders to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lenders within 30 day's after the date the notice is given, Lenders is authorized to collect and apply the proceeds, at it's option, either to restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due.

Unless Lenders and Borrower otherwise agree in writing, any application of proceeds to

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principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. Borrower Not Released; Forbearance By Lenders Not a Waiver, Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lenders to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lenders shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security' Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest, Any forbearance by Lenders in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lenders and Borrower. Borrower's covenants and agreements shall be joint and several Any Borrower who co-signs this Mortgage but does not execute the Notes: (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Mortgage; (b) is not personally obligated to pay the sums secured by this Mortgage; and (c) agrees that Lenders and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Notes without that Borrower's consent.

13. Loan Charges. If the loan secured by this Mortgage is subject to a Law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lenders may choose to make this refund by reducing the principal owed under the Notes or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Notes.

14. Notices, Any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lenders. Any notice to Lenders shall be given by first class mail to Lenders address stated herein or any other address Lenders designates by notice to Borrower. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lenders when given as provided in this paragraph.

15. Governing Law; Severability. This Mortgage shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Notes conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Notes which can be given effect without the conflicting provision. To this end the provisions of this Mortgage and the Notes are declared to be severable.

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16. Borrower's Copy. Borrower shall be given one conformed copy of the Notes and of this Mortgage.

17. *Intentionally deleted.*

18. *Intentionally deleted.*

19. *Intentionally deleted.*

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lenders written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

21. *Intentionally deleted.*

22. Release. Upon payment of all sums secured by this Mortgage Lenders shall release this Mortgage without charge to Borrower. Borrower shall pay any recording costs

23. Homestead. Borrower hereby certifies that Property is not homestead property.

24. Riders to this Mortgage. If one or more riders are executed by Borrower and recorded together with this Mortgage, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this mortgage as if the rider(s) were a part of this Mortgage.

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BY SIGNING BELOW. Borrower accepts and agrees to the terms and covenants contained in this Mortgage.

VOLLMER DEVELOPMENT GROUP, L.L.C.
an Illinois Limited Liability Company



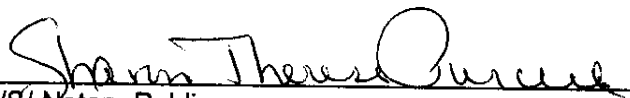
 Michael R. Glenn Jr. - Manager

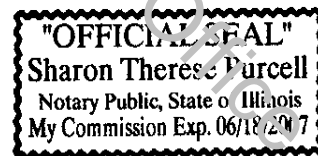
 7-31-03
 Date

STATE OF ILLINOIS, COOK COUNTY

I, the undersigned, a Notary Public in and for the County of Cook in the State of Illinois do hereby certify that **MICHAEL R. GLENN JR.**, as **Manager of VOLLMER DEVELOPMENT GROUP, L.L.C. an Illinois Limited Liability Company**, 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 as Manager, he signed and delivered the said instrument as Manager of said Limited Liability Company, pursuant to authority given, as his free and voluntary act, and as the free and voluntary act and deed of said Limited Liability Company, for the uses and purposes set forth.

Given under my hand and seal this 31 day of July, 2003


/s/ Notary Public



My commission expires 6-18-2007

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EXHIBIT "A"

PARCEL 1:

LOT 2 IN PALMER GLENN RESUBDIVISION, A PLANNED UNIT DEVELOPMENT IN THE NORTHEAST 1/4 OF SECTION 14, TOWNSHIP 35 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, RECORDED MAY 4, 2001 AS DOCUMENT 0010372774, IN COOK COUNTY , ILLINOIS .

PARCEL 2:

RIGHTS AND EASEMENTS FOR THE BENEFIT OF PARCEL 1, CREATED IN THE DECLARATION OF RESTRICTIONS AND EASEMENTS MADE JULY 13, 2001, BY AND BETWEEN PALMER GLENN OF OLYMPIA FIELDS, L.L.C., AN ILLINOIS LIMITED LIABILITY COMPANY AND AMERICAN DRUG STORES, INC., AN ILLINOIS CORPORATION, RECORDED JULY 13, 2001 AS DOCUMENT 0010624443 AND AMENDED BY INSTRUMENT RECORDED MARCH 20, 2003 AS DOCUMENT 0030380968.

P.I.N.: 31-14-201-031

ADDRESS: SWC of Vollmer and Kedzie Olympia Fields, IL