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Eugene "Gene" Moore Fee: \$50.00
Cook County Recorder of Deeds
Date: 10/22/2004 10:19 AM Pg: 1 of 14

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(SPACE ABOVE THIS LINE FOR USE BY RECORDER OF DEEDS)

JUNIOR MORTGAGE AND ASSIGNMENT OF RENTS (ADDITIONAL COLLATERAL FOR COMMERCIAL LOAN)

THIS JUNIOR MORTGAGE AND ASSIGNMENT OF RENTS (herein "Mortgage") is made effective as of the 30th day of September, 2004, between the Mortgagor(s), **BRUCE D. OLSEN**, personally, and **ELAINE C. OLSEN**, personally, husband and wife, jointly and severally, having their address at 4646 North Wolcott, Chicago, Illinois, 60640 (collectively or alternatively the "Mortgagor") and the Mortgagee, **WEST SUBURBAN BANK**, an Illinois Banking Corporation, having offices at 2020 Feldott Lane, Attn: Commercial Loan Dept., Naperville, Illinois 60540 (herein "Mortgagee").

WHEREAS, **BAUM & OLSEN, INC.**, an Illinois Corporation, as well as **OLSEN BAUM ENTERPRISES, LLC**, an Illinois Limited Liability Company (collectively or alternatively the "Borrower") are each indebted to Mortgagee with respect to a certain Note originally dated on or about June 17, 2002 (and as subsequently modified, extended and renewed) in the original principal sum of Two Hundred Fifty Thousand and No/100 (\$250,000.00) Dollars (the "Note") evidencing a certain commercial loan from Mortgagee to Borrower (the "Loan").

WHEREAS, Mortgagee is now providing an interim extension of the Maturity of such Loan to Borrower to facilitate repayment thereof and as an express condition thereof, Mortgagee requires Borrower(s) aforementioned Loan to be additionally secured by a junior mortgage lien against the Mortgaged Premises.

WHEREAS, Mortgagor, **Bruce D. Olsen**, is an unconditional personal "Guarantor" of such Note and Loan and/or is otherwise benefited and derives a benefit from Borrower's business operations and accordingly, each Mortgagor expects to derive a material economic benefit from such financial accommodations being provided by Mortgagee to Borrower. In particular, co-Mortgagor, **Elaine C. Olsen**, hereby warrants and represents, acknowledges and agrees that she too is materially benefited by the financial accommodations and arrangements afforded by such further interim extension of the Loan and that there is good, lawful and binding consideration for this Mortgage.

Prepared by:

J. Steven Butkus, Esq.
GUERARD, KALINA & BUTKUS
100 W. Roosevelt Road, A-1
Wheaton, IL 60187

PIN: 14-18-207-016-0000

Property Address:
4646 North Wolcott
Chicago, IL 60640

After recording return to:

WEST SUBURBAN BANK
Attn: Commercial Loan Dept. (Mr. Grant O. Cowen, V.P.)
2020 Feldott Lane
Naperville, IL 60540

BOX 333-CTI

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WHEREAS, Mortgagee, Borrower (Olsen Baum Enterprises, LLC), co-Mortgagor (**Bruce D. Olsen**) and others have executed and entered into a certain Loan Modification and Temporary Forbearance Agreement which further modified and extended the term of such Note and Loan and in partial consideration of the grant of this Mortgage lien has imposed a **"Guaranty Limit"** upon such Guaranty of co-Mortgagor Bruce D. Olsen of Fifty (50%) Percent of the outstanding Note and Loan Indebtedness from time to time.

WHEREAS, the Mortgaged Premises are currently encumbered by the following existing mortgage liens, to wit:

- (i) a certain prior Mortgage encumbering the Mortgaged Premises dated August 25, 1995 and recorded in Cook County, Illinois on October 17, 1995 as **Document No. 95704976**, evidencing and securing a loan by GMAC Mortgage Corp. in the original principal sum of \$158,000.00;
- (ii) a certain prior Mortgage encumbering the Mortgaged Premises dated August 24, 2000 and recorded in Cook County, Illinois on August 30, 2000 as **Document No. 00673863**, evidencing and securing a loan by First American Bank in the original principal sum of \$150,000.00; and
- (iii) a certain prior Mortgage dated September 7, 2000 and recorded in Cook County, Illinois on September 11, 2000 as **Document No. 00703339**, evidencing and securing a loan by Heller First Capital Corp. in the approximate principal sum of \$885,500.00 (collectively or alternatively the **"Prior Mortgage[s]"**).

TO SECURE TO LENDER (a) repayment of the principal, interest, and all other amounts payable to Mortgagee on the Note according to its tenor and effect, and all renewals, extensions and modifications thereof and any future advances thereunder, whether direct or indirect, due or to become due (provided, however that in no event shall the aggregate indebtedness secured hereby at any one time exceed five (5) times the aforesaid original principal sum of the Note); (b) the payment of all other sums, with interest thereon, advanced in accordance with the terms of the Note or herewith to protect the security of this Mortgage or other collateral for the Note; and (c) the performance and observance of all the covenants, provisions and agreements of the Borrower and/or Mortgagor herein and in the Note contained or other instrument given to further secure the performance of any obligation secured hereby or in any manner pertaining to the loan evidenced by the Note, including but not limited to the **"Loan Documents"** as defined and identified in the Note as well as that certain Loan and Security Agreement bearing even date herewith (the **"Loan Agreement"**) (collectively the **"Loan Documents"**), and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Mortgagor, Mortgagor does hereby mortgage, grant, convey and assign to Mortgagee all of Mortgagor's right, title, and interest in the real estate located in the City of Chicago, Cook County, Illinois, and legally described in **Exhibit "A"** attached hereto and made a part hereof.

TOGETHER with all buildings, improvements, and tenements now or hereafter erected on the real estate, and all heretofore or hereafter vacated alleys and streets abutting the real estate, and all easements, rights, appurtenances, rents, profits and awards, and all fixtures, machinery, equipment, (whether within or outside the buildings), engines, boilers, incinerators, building materials (including but not limited to concrete, steel, lumber, pipe, conduit, controls, doors and windows), freezers, appliances (movable or affixed), and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the real estate including, but not limited to, those for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air and light and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, water heaters, attached floor coverings, furnishings, antennas, and all additional personalty located on the subject real estate, all of which, including replacements and additions thereto (excepting, however, any of the foregoing items which are movable trade fixtures or furnishings which are personal property belonging to tenants in possession) shall be

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deemed to be and remain a part of the real property covered by this Mortgage; and all of the foregoing, the real estate together with said property are herein collectively referred to as the "Mortgaged Premises."

Mortgagor covenants that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, convey and assign the Mortgaged Premises, that the Mortgaged Premises are unencumbered, and that Mortgagor will warrant and defend generally the title to the Mortgaged Premises against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title policy insuring Mortgagee's interest in the Mortgaged Premises.

COVENANTS. Mortgagor and Mortgagee covenant and agree as follows:

1. Payment of Principal and Interest/Incorporation of Note Terms. Mortgagor acknowledges, covenants and agrees that it is an express term hereof, that the Borrower promptly pay when due the principal of and interest on the indebtedness evidenced by each of the Note(s), and late charges provided in the Note and all other sums secured by this Mortgage and that this Mortgage fully secures all such obligations, liabilities and indebtedness of the Borrower, including Future Advances. The terms and provisions of the Note are incorporated into this Mortgage by this reference as if the same were fully set forth herein. The terms of such Note shall govern in the event of any inconsistency between the terms of this Mortgage and such Note terms.

1A. Maximum Lien/Cap and Limit on Lien of This Mortgage. Anything to the contrary set forth in this Mortgage notwithstanding, the maximum amount of the lien of this Mortgage shall not exceed the lesser of: (i) Fifty (50%) Percent of the outstanding Indebtedness (i.e., unpaid principal, interest, advances, costs and fees, including attorney's fees) of such Note and Loan; or (ii) **ONE HUNDRED THOUSAND AND NO/100 (\$100,000.00) DOLLARS** (the "Lien Cap").

2. Application of Payments. Unless applicable law provides otherwise, all payments received by Mortgagee from Borrower and/or Mortgagor under the Note or this Mortgage shall be applied by Mortgagee first to costs, expenses and other sums expended by Mortgagee pursuant to the Loan Documents then to any accrued and outstanding interest and then to principal and any other sums secured by this Mortgage in such order as Mortgagee, at Mortgagee's option, may determine; provided, however, that Mortgagee may, at Mortgagee's option, apply any sums payable pursuant to paragraph 6 hereof prior to interest on and principal of such Note.

3. Charges; Liens. Mortgagor shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Mortgaged Premises which may attain a priority over this Mortgage by Mortgagor making payments when due, directly to the payee thereof. Mortgagor shall promptly furnish to Mortgagee all notices of amounts due under this paragraph, and Mortgagor shall promptly furnish Mortgagee receipts evidencing such payments. Mortgagor shall promptly discharge any lien (other than the aforementioned Prior Mortgage[s]) which has priority over this Mortgage; provided, that Mortgagor shall not be required to discharge any such lien so long as Mortgagor shall in good faith with due diligence contest such lien by, or defend against enforcement of the lien in, legal proceedings which in the opinion of Mortgagee operate to prevent the enforcement of the lien or forfeiture of the Mortgaged Premises or any part thereof and in conjunction therewith, IN ALL INSTANCES (unless otherwise expressly agreed in writing by Mortgagee) fully insured or bond over such lien to Mortgagee's satisfaction within not more than thirty (30) days after the date the same is first asserted or claimed.

4. Insurance. The Mortgagor will procure for, deliver to and maintain for the benefit of the Mortgagee during the term of this Mortgage, a policy or policies (a) insuring the Mortgaged Premises against fire, lightning, vandalism, malicious mischief, all other perils insured against under "extended coverage", and such other

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insurable perils as the Mortgagee may reasonably require, including, without limitation, perils covered under an "additional other perils" endorsement, for at least the greater of: (i) the full amount of the Loan; or (ii) ninety (90%) percent of the insurable replacement cost or value [whichever is greater] of the Mortgaged Premises, (b) affording such other or additional coverage as from time to time may be requested by the Mortgagee, including, without limitation, builder's risk insurance, comprehensive general liability insurance, umbrella liability insurance, boiler and pressurized vessel insurance, and, if any part of the Mortgaged Premises is in a flood area (as defined under the Flood Disaster Protection Act of 1973), flood insurance, unless Mortgagee in its sole discretion agrees in writing to waive or suspend the requirements of such flood insurance.

All insurance policies and renewals thereof shall: (a) be in a form and amount acceptable to Mortgagee and (b) shall include a standard mortgagee clause in favor of and in form acceptable to Mortgagee and (c) provide thirty (30) days advance written notice to Mortgagee before cancellation or material modification. Mortgagee shall have the right to hold the policies, and Mortgagor shall promptly furnish to Mortgagee all renewal notices and all receipts of paid premiums. At least thirty (30) days prior to the expiration date of a policy, Mortgagor shall deliver to Mortgagee a renewal policy in form satisfactory to Mortgagee.

In the event of loss, Mortgagor shall give immediate written notice to the insurance carrier and to Mortgagee. Mortgagor hereby authorizes and empowers Mortgagee as attorney-in-fact for Mortgagor to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds and to deduct therefrom Mortgagee's expenses incurred in the collection of such proceeds; provided however, that nothing contained in this paragraph 4 shall require Mortgagee to incur any expense or take any action hereunder. In the event of a disbursement of insurance proceeds less than \$5,000.00 said funds shall be paid to Mortgagee and provided loan is not in default, Mortgagee shall disburse said funds in accordance with the reasonable instructions of Mortgagor relative to repair of the Mortgaged Premises. In the event of a disbursement of insurance proceeds in the amount of \$5,000.00 or more said funds shall be paid to Mortgagee and Mortgagor further authorizes Mortgagee, at Mortgagee's option, (a) to hold without interest the balance of such proceeds to be used to reimburse the cost of reconstruction or repair of the Mortgaged Premises or (b) in the event an Event of Default then exists or if in Mortgagee's reasonable judgment the value of the Mortgaged Premises and/or the debt to value of collateral ratio of the Loan secured hereby is or if upon reconstruction or repair will be materially adversely affected by such loss, or if the Mortgaged Premises, cannot, in Lender's reasonable judgment, be fully repaired or restored within six (6) months after the date of occurrence of such damage or destruction, or if such damage or destruction occurs during the last nine (9) months of the term of the Note, then to apply the balance of such proceeds to the payment of the sums secured by this Mortgage, whether or not then due, in the order of application set forth in paragraph 2 hereof.

If the insurance proceeds are held by Mortgagee to reimburse Mortgagor for the costs of restoration and repair of the Mortgaged Premises, the Mortgaged Premises shall be restored to the equivalent of its original condition or such other condition as Mortgagee may approve in writing. Mortgagee may, at Mortgagee's option, condition disbursement of said proceeds on Mortgagee's approval of such plans and specifications by an architect satisfactory to Mortgagee, contractor's cost estimates and a budget for such restoration and repair work (which is at all times "in-balance" with the available insurance proceeds and Mortgagor's own funds escrowed with Mortgagee for such purpose), Architect's certificate, waivers of liens and sworn contractors and owners statements of mechanics and materialmen and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Mortgagee may require. Additionally, Mortgagor acknowledges and agrees that Mortgagee may require all disbursements to be made through a satisfactory title company construction escrow and to be subject to compliance with any or all of Mortgagee's customary construction loan disbursement requirements, practices and procedures all at Mortgagor's cost and expense. If the insurance proceeds are applied to the payment of the sums secured by this Mortgage, any such

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application of proceeds to principal shall be subject to a prepayment penalty, if any, and shall not extend or postpone the due dates of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amounts of such installments. If the Mortgaged Premises is sold pursuant to paragraph 14 hereof or if Mortgagee acquires title to the Mortgaged Premises, Mortgagee shall have all of the rights, title and interest of Mortgagor in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Mortgaged Premises prior to such sale or acquisition.

5. Preservation and Maintenance of Mortgaged Premises. Mortgagor (a) shall not waste or permit impairment or deterioration of the Mortgaged Premises, (b) shall not abandon the Mortgaged Premises, (c) shall restore or repair promptly and in a good workmanlike manner all or any part of the Mortgaged Premises to the equivalent of its original condition, or such other condition as Mortgagee may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the same in good repair and shall replace fixtures, equipment, machinery and appliances on the Mortgaged Premises when necessary to keep such items in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Mortgaged Premises, and (f) shall give notice in writing to Mortgagee of and, unless otherwise directed by Mortgagee, appear in and defend any action or proceeding purporting to affect the Mortgaged Premises, the security of this Mortgage or the rights of powers of Mortgagee. Neither Mortgagor nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Mortgaged Premises or any fixture, equipment, machinery or appliance in or on the Mortgaged Premises except when incident to the replacement of obsolete or worn fixtures, equipment, machinery and appliances with updated or like new items of like kind.

6. Protection of Mortgagee's Security. If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which affects the Mortgaged Premises or title thereto or the interest of Mortgagee therein, including, but not limited to eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Mortgagee at Mortgagee's option may make such appearances, disburse such sums and take such action as Mortgagee deems necessary, in its reasonable discretion, to protect Mortgagee's interest, including, but not limited to, (a) disbursements of attorneys fees, (b) entry upon the Mortgaged Premises to make repairs, (c) procurement of satisfactory insurance as provided in paragraph 4 hereof. Any amounts disbursed by Mortgagee pursuant to this paragraph 6, with interest thereon, shall become additional indebtedness of Mortgagor secured by this Mortgage. Unless Mortgagor and Mortgagee agree to other terms of payment, such amounts shall be immediately due and payable within ten (10) business days following Mortgagee's written notice thereof and, if not so timely paid, shall bear interest from the date of disbursement at the highest applicable Default Rate stated in the respective Note(s). Nothing contained in this paragraph 6 shall require Mortgagee to incur any expense or take any action hereunder.

7. Inspection. Mortgagee may make or cause to be made reasonable entries upon and inspections of the Mortgaged Premises.

8. Books and Records. Mortgagor shall keep and maintain at all times at Mortgagor's address stated below, or such other place as Mortgagee may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Mortgaged Premises and the financial condition of the Mortgagor. Such books and records shall be subject to examination and inspection at any reasonable time by Mortgagee. Mortgagor shall, within ninety (90) days after the end of each fiscal year of Mortgagor, furnish to Mortgagee the following: (i) financial information relating to the Mortgagor, including U.S. income tax returns, and (ii) financial and operating statements of the Mortgaged Premises for such fiscal year, in reasonable detail, including quarterly operating statements relative to the business operations of

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Mortgagor's beneficiary, including a quarterly rent roll for the Mortgaged Premises, and in any event including such itemized statements of receipts and disbursements as shall enable Mortgagee to determine whether a breach described in paragraph 15 or other default hereunder ("**Event of Default**") then exists. Mortgagor shall additionally furnish such other financial information or operating statements as may be required under the Loan and Security Agreement and other Loan Documents. Such financial and operating statements shall be prepared and certified at Mortgagor's expense in a manner acceptable to Mortgagee. For purposes of this Paragraph the term "Mortgagor" also means any beneficiary of Mortgagor and any guarantors of the Note.

9. Condemnation. Mortgagor shall promptly notify Mortgagee of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Mortgaged Premises, of part thereof, and Mortgagor shall appear in and prosecute any such action or proceeding unless otherwise directed by Mortgagee in writing. Mortgagor authorizes Mortgagee after notice by Mortgagee to Mortgagor, at Mortgagee's option, as attorney-in-fact for Mortgagor, to commence, appear in and prosecute, in Mortgagee's or Mortgagor's name any action or proceeding relating to any condemnation or other taking of the Mortgaged Premises, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Mortgaged Premises, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned to and shall be paid to Mortgagee.

Mortgagor authorizes Mortgagee to apply such awards, payments, proceeds or damages, after the deduction of Mortgagee's expenses incurred in the collection of such amounts, at Mortgagee's option, to restoration or repair of the Mortgaged Premises or to payment of the sums secured by this Mortgage, whether or not then due, in the order of application set forth in paragraph 2 hereof, with the balance, if any, to Mortgagor. Any application of proceeds to principal shall be subject to a prepayment penalty, if any, and, unless Mortgagor and Mortgagee otherwise agree in writing, shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. Mortgagor agrees to execute such instruments required in connection with such condemnation or taking as Mortgagee may require.

10. Mortgagor and Lien Not Released. From time to time, Mortgagee may, at Mortgagee's option, without giving notice to or obtaining the consent of Mortgagor, Mortgagor's successors or assigns or of any junior lienholders, without liability on Mortgagee's part and notwithstanding Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage, extend the time for payment of said indebtedness or any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of said indebtedness, release from the lien of this Mortgage any part of the Mortgaged Premises, take or release other or additional security, reconvey any part of the Mortgaged Premises, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Mortgagor to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Any actions taken by Mortgagee pursuant to the terms of this paragraph 10 shall not affect the obligation of Mortgagor or Mortgagor's successors or assigns to pay the sums secured by this Mortgage and to observe the covenants of Mortgagor contained herein, and shall not affect the lien or priority of lien on the Mortgaged Premises. Mortgagor shall pay Mortgagee a reasonable service charge, together with such title insurance premiums and attorney's fees as may be incurred at Mortgagee's option, for any such action if taken at Mortgagor's request.

11. Forbearance by Mortgagee Not a Waiver. Any forbearance by Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Mortgagee of payment of any sum secured by this Mortgage after the due date of such payment shall not be a waiver of Mortgagee's right to either require prompt when due of all

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other sums so secured. Mortgagee's receipt of any awards, proceeds or damages under paragraphs 4 and 9 hereof shall not operate to cure or waive Mortgageor's default in payment of sums secured by this Mortgage.

12. Real Estate Tax Escrow. [deleted]

13. Restriction on Transfer. It shall be, without further notice, an immediate breach of and Event of Default under this Mortgage if, without the prior written consent of the Mortgagee, any of the following shall occur: if the Mortgageor shall create, effect, contract for, commit to or consent to or shall suffer or permit any conveyance, sale, assignment, transfer, lease (other than in the ordinary course of business pursuant to fair market lease terms subject to Mortgagee's consent which shall not be unreasonably withheld or delayed provided such lease complies with Mortgagee's leasing guidelines) lien, pledge, mortgage, security interest or other encumbrance or alienation of (i) the Mortgaged Premises or any part thereof, of interest therein; (ii) all or a portion of the beneficial interest of any land trust-Mortgagor or change in the power of direction; (iii) all or a portion of the stock of any corporate-Mortgagor or any corporate beneficiary of any land trust-Mortgagor, which results or could result in a material change in the identity of the person or entity in control of the corporation; (iv) any general partner's interest in any partnership-Mortgagor or any partnership beneficiary of any land trust-Mortgagor, or (v) all or a portion of any member's or manager's interest in any limited liability company-Mortgagor or any limited liability company beneficiary of a land trust-Mortgagor; in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided that the foregoing provisions of this paragraph 13 shall not apply (i) to the lien of current taxes and assessments not in default, (ii) to the lien of this Mortgage. The provisions of this Paragraph 13 shall be operative with respect to, and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Mortgaged Premises. Anything to the contrary set forth in this Mortgage or the other Loan Documents notwithstanding, Mortgagee shall not be required to give any notice of default or opportunity to cure with respect to a breach or default of the foregoing restrictions on transfer.

14. Assignment of Rents and Leases; Appointment of Receiver; Mortgagee in Possession. As part of the consideration for the indebtedness evidenced by the Note, Mortgageor hereby absolutely and unconditionally assigns and transfers to Mortgagee all the rents, revenues, fees, charges, dues, proceeds and deposits (collectively, the "rents") of the Mortgaged Premises (including use or operation thereof), including those now due, past due, or to become due by virtue of any lease or other agreement for the sale, occupancy or use of all or any part of the Mortgaged Premises, regardless of to whom the rents, revenues, fees, charges, dues, proceeds and deposits of the Mortgaged Premises are payable. This Assignment also includes assignment for collateral purposes of all right, title and interest of Mortgageor in and to any other occupancy agreements, membership agreements, rental agreements, leases, licenses, easements or other agreements resulting in revenue or income from the Mortgaged Premises. Mortgageor hereby authorizes Mortgagee or Mortgagee's agents to collect the aforesaid rents, revenues, fees, charges, dues, proceeds and deposits and hereby directs each tenant, occupant, user, licensee, member, or purchaser, as the case may be, of the Mortgaged Premises to pay such rents and proceeds to Mortgagee or Mortgagee's agents; provided, however, that prior to written notice given by Mortgagee to Mortgageor of the Event of Default by Mortgageor relative to any covenant or agreement of Mortgageor in this Mortgage or the other Loan Documents, Mortgageor shall be permitted to collect and receive all rents, revenues, fees, charges, dues, proceeds and deposits of the Mortgaged Premises as trustee for the benefit of Mortgagee and Mortgageor, to apply the rents, revenues, proceeds and deposits so collected to the sums secured by this Mortgage in the order provided in paragraph 2 hereof with the balance, so long as no Event of Default has occurred, to the account of Mortgageor, it being intended by Mortgageor and Mortgagee that this assignment of rents constitutes an **absolute assignment** and not an assignment for additional security only. Upon delivery of written notice by Mortgagee to Mortgageor or Beneficiary of an Event of Default by

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Mortgagor of any covenant or agreement of Mortgagor contained in this Mortgage or the other Loan Documents, and without the necessity of Mortgagee entering upon and taking and maintaining full control of the Mortgaged Premises in person, by agent or by a court-appointed receiver, Mortgagee shall immediately be entitled to possession of all rents, revenues, fees, charges, dues, proceeds and deposits of the Mortgaged Premises as specified in this paragraph 14 as the same become due and payable, including but not limited to rents, revenues, proceeds and deposits then due and unpaid, and all such rents, revenues, proceeds and deposits shall immediately upon delivery of such notice be held by Mortgagor as trustee for the benefit of Mortgagee only; provided, however, that the written notice by Mortgagee to Mortgagor shall contain a statement that Mortgagee exercises its rights to such rents, revenues, fees, charges, dues, proceeds and deposits. Mortgagor agrees that commencing upon delivery of such written notice of any such breach or Event of Default each tenant, occupant or purchaser, as the case may be, of the Mortgaged Premises shall make such rents payable to and pay such rents, revenues, fees, charges, dues, proceeds and deposits to Mortgagee or Mortgagee's agents on Mortgagee's written demand to each tenant, occupant or purchaser therefor, as the case may be, delivered to each tenant, occupant, user, licensee, member, or purchaser, as the case may be, by mail or by delivery such demand to each unit, without any liability on the part of said tenant, occupant, user, licensee, member, or purchaser to inquire further as to the existence of a default by Mortgagor.

Mortgagor hereby represents and warrants that Mortgagor has not executed any prior assignment of said rents or leases, that Mortgagor has not performed, nor will perform, any acts or has not executed, and will not execute, any instrument which would prevent Mortgagee from exercising its rights under this paragraph 14, and that at the time of execution of this Mortgage, there has been no anticipation or prepayment of any of the rents, revenues, fees, charges, dues, proceeds or deposits of the Mortgaged Premises. Mortgagor covenants that Mortgagor will not hereafter collect or accept payment of any rents of the Mortgaged Premises more than one (1) month prior to the due dates of such rents. Mortgagor further covenants that Mortgagor will execute and deliver to Mortgagee such further assignments of rents, revenues, fees, charges, dues, proceeds or deposits of the Mortgaged Premises as Mortgagee may from time to time request.

Upon occurrence of an Event of Default under this Mortgage or the other Loan Documents, as aforesaid, Mortgagee may in person, by agent or by a court-appointed receiver, enter upon and take and maintain full control of the Mortgaged Premises in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents, revenues, fees, charges, dues, proceeds and deposits of the Mortgaged Premises, the making of repairs to the Mortgaged Premises and the execution or termination of contracts providing for the management or maintenance of the Mortgaged Premises; all on such terms as Mortgagee deems best to protect the security of this Mortgage. In the event Mortgagee elects to seek the appointment of a receiver for the Mortgaged Premises upon breach of any covenant or agreement or Event of Default of Mortgagor in this Mortgage or any other Loan Document, Mortgagor hereby expressly consents to the appointment of such receiver. Mortgagee or the receiver shall be entitled to receive a reasonable fee for so managing the Mortgaged Premises.

All rents, revenues, fees, charges, dues, proceeds and deposits collected subsequent to delivery of written notice by Mortgagee to Mortgagor of an Event of Default under this Mortgage or the other Loan Documents, aforesaid, shall be applied first to the costs, if any, of taking control of and managing the Mortgaged Premises and collecting the rents, revenues, fees, charges, dues, proceeds and deposits, including, but not limited to, attorney's fees, premiums on receiver's bonds, costs of repairs to the Mortgaged Premises, premiums on insurance policies, taxes, assessments and other charges on the Mortgaged Premises, and the costs of discharging any obligations or liability of Mortgagor as lessor, landlord, operator or licensor of the Mortgaged Premises and then to the sums secured by this Mortgage. Mortgagee or the receiver shall have access to the books and records used in the operation and maintenance of the Mortgaged Premises and shall be liable to

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account only for those rents, revenues, fees, charges, dues, proceeds or deposits actually received by Mortgagee. Mortgagee shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Mortgaged Premises by reason of anything done or left undone by Mortgagee under this paragraph.

If the rents, revenues, fees, charges, dues, proceeds or deposits of the Mortgaged Premises are not sufficient to meet the costs, if any, of taking control of and managing the Mortgaged Premises and collecting the rents, revenues, fees, charges, dues, proceeds or deposits any funds expended by Mortgagee for such purposes shall become indebtedness of Mortgagor to Mortgagee secured by this Mortgage. Unless Mortgagee and Mortgagor agree in writing to other terms of payment, such amounts shall be payable upon notice from Mortgagee to Mortgagor requesting payment thereof and shall bear interest from the date of disbursement at the highest applicable Default Rate stated in the Note.

Any entering upon and taking and maintaining of control of the Mortgaged Premises by Mortgagee or the receiver and any application of rents, revenues, fees, charges, dues, or proceeds as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Mortgagee under applicable law or provided herein. This assignment of rents of the Mortgaged Premises shall terminate at such time as the indebtedness secured hereby is repaid in full and/or this Mortgage ceases to secure indebtedness held by Mortgagee.

15. Events of Default. The terms "Event of Default" or "Events of Default", wherever used in this Mortgage shall mean any one or more of the following events:

(a) Failure by Borrower and/or Mortgagor to pay when due any payment under the Note, this Mortgage or any other Loan Document or under the aforementioned revolving line of credit loan and financing and such failure continues beyond any applicable cure period; or

(b) Failure by Borrower and/or Mortgagor to duly observe or perform any other terms, covenant, condition or agreement of the Note, this Mortgage or any other Loan Document and such failure continues beyond any applicable cure period; or

(c) The occurrence of any other "Event of Default" any other Loan Document (including, without limitation, any cross-default) as such "Event of Default" is further defined and identified in the Loan Agreement, and expiration of any applicable "Cure Period" (as further defined in the Loan Agreement); or

(d) The occurrence of any "Event of Default" under any "Prior Mortgage" (hereinafter identified).

16. Acceleration; Remedies. In case of an Event of Default or violation of Paragraph 13 hereof (Restrictions on Transfer), Mortgagee at Mortgagee's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further notice, presentment or demand and all sums secured by this Mortgage shall bear interest thereafter at the highest applicable Default Rate defined in the Note and Mortgagee may foreclose this Mortgage by judicial proceeding. Mortgagee may exercise this option to accelerate during any default by the Mortgagor regardless of any prior forbearance. Mortgagee shall be entitled to collect all costs and expenses incurred in pursuant such remedies, including, but not limited to, attorney's fees, costs of documentary evidence, abstracts and title reports, and other costs of suit and Mortgagee at its option may foreclose this Mortgage by judicial proceeding and/or may invoke any other remedies provided by equity, applicable law or provided herein.

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17. Notice. Except for any notice required under applicable law to be given in any other manner, (a) any notice to Mortgagor provided for in this Mortgage or in the Note shall be given by personal service upon Mortgagor or by mailing of such notice by certified mail addressed to Mortgagor at:

c/o Bruce D. Olsen
4646 West Wolcott
Chicago, IL 60640

or at such other address as Mortgagor may designate by notice to Mortgagee as provided herein, and (b) any notice to Mortgagee shall be given by certified mail, return receipt requested, to Mortgagee at:

West Suburban Bank
Attn: Commercial Loan Department
2020 Feldott Lane
Naperville, Illinois 60540

or to such other address as Mortgagee may designate by notice to Mortgagor as provided herein. Any notice provided for in this Mortgage or in the Note shall be deemed to have been given when personally served as hereinabove provided or, if mailed, on the second (2nd) business day following deposit of such notice in the United States Mail.

18. Successors and Assigns Bound; Agents; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Mortgagee and Mortgagor, subject to the provisions of paragraph 13 hereof. In exercising any rights hereunder or taking any actions provided for herein, Mortgagee may act through its employees, agents, attorneys or independent contractors as authorized by Mortgagee. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

19. Governing Law; Venue; Severability; Excess Interest. This Mortgage shall, at Mortgagee's option, be governed by the laws of the State of Illinois or the laws of the jurisdiction in which the Mortgaged Premises is located. Venue for all disputes and claims arising from this Mortgage shall, at Mortgagee's option be in the Illinois Circuit Court of having jurisdiction in the County where the Mortgaged Premises are situated or in the Circuit Court for DuPage County, Illinois. In the event that any provisions of this Mortgage or the Note conflict with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provisions, and to this end the provisions of this Mortgage and Note are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Mortgagor is interpreted so that any charge provided for in this Mortgage or in the Note, whether considered separately or together with other charges levied in connection with this Mortgage and the Note, violates such law, and Mortgagor is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Mortgagee in excess of the amounts payable to Mortgagee pursuant to such charges as reduced shall be applied by Mortgagee to reduce the principal of the indebtedness evidenced by the Note (in which case no prepayment penalty shall be applicable) or, at Mortgagee's option, shall be refunded to the Mortgagor. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Mortgagor has been violated, all indebtedness which is secured by this Mortgage or evidenced by the Note and which constitutes interest, as well as all other charges levied in connection with such indebtedness which constitute interest, shall at Mortgagee's option be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be

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effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Note.

20. Waiver. Notwithstanding the existence of any other security interests in the Mortgaged Premises held by Mortgagee or by any other party, Mortgagee shall have the right to determine the order in which any or all of the Mortgaged Premises shall be subjected to the remedies provided herein. Mortgagee shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Mortgagor and any party who now or hereafter acquires a security interest in the Mortgaged Premises and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein. Mortgagor also waives any right of set-off and/or recoupment Mortgagor may have against Mortgagee. **EACH MORTGAGOR FURTHER WAIVES ANY RIGHT MORTGAGOR MAY HAVE TO DEMAND A JURY TRIAL IN RELATION TO ANY ACTION BROUGHT BY MORTGAGEE TO EXERCISE ITS REMEDIES, UNDER THIS MORTGAGE, THE NOTE OR THE OTHER LOAN DOCUMENTS.** To the extent permitted by law, Mortgagor waives any right of reinstatement and further waives the benefits of all present and future valuation, appraisal, stay, redemption and moratorium laws under any state or federal law. **FURTHER EACH MORTGAGOR HEREBY EXPRESSLY WAIVES ANY AND ALL APPLICABLE HOMESTEAD RIGHTS OR EXEMPTIONS AND ANY AND ALL RIGHTS OF REDEMPTION PURSUANT TO THIS MORTGAGE.**

21. Indemnification. (A) Mortgagor agrees to indemnify and hold Mortgagee harmless from any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, decrees, costs and expenses (including reasonable attorney's fees), arising directly or indirectly, in whole or in part, out of the acts and omissions whether negligent, willful or otherwise, of Mortgagor, or any of its officers, directors, agents, subagents, or employees, in connection with this Mortgage or as a result of: (i) ownership of the Mortgaged Premises or any part thereof; (ii) any use, non-use or condition of the Mortgaged Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, if any, and adjacent parking areas, streets or ways; (iii) any failure on the part of the Mortgagor to perform or comply with any of the terms of this Mortgage; or (iv) the performance of any labor or services or the furnishing of any materials or other property with respect to the Mortgaged Premises or any part thereof. Any amounts payable to the Mortgagee under this Paragraph which are not paid within ten (10) days after written demand therefor by the Mortgagee shall bear interest at the highest applicable Default Rate defined in the Note. The obligations of the Mortgagor under this paragraph shall survive any termination or satisfaction of this Mortgage.

(B) Mortgagor further indemnifies the Mortgagee and each agrees to hold the Mortgagee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Mortgagee for, with respect to, or as a direct or indirect result of (i) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the Mortgaged Premises of any Hazardous Material (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any so-called "Superfund" or "Superlien" law, or any other Federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any Hazardous Material), or (ii) the presence of any asbestos on or in the Mortgaged Premises (including, without limitation, the cost of removal) regardless of whether or not caused by, or within the control of Mortgagor and/or Beneficiary. For purposes herein, the term "Hazardous Material" means and includes asbestos, PCB's and any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, ordinance, code, rule, regulation,

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order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect.

(C) For purposes of the foregoing Paragraph 21, the term Mortgage shall include any beneficiary or beneficiaries of any land trust-Mortgagor and any other guarantors or obligors of the Loan secured hereby.

22. Business Loan. The Mortgagor represents and warrants that the Loan evidenced by the Note secured hereby is a business loan within the purview of Section 205/4(1)(c) of Chapter 815 of the Illinois Compiled Statutes and is likewise an exempted transaction under the Truth-in-Lending Act, 15 U.S.C. Section 1601 et seq.

23. Junior Mortgage/Subordination to First Mortgage. This Mortgage is a Junior Mortgage subject and subordinate to the aforementioned Prior Mortgage(s) in favor of Mortgagee, described and identified in the Recitals hereinabove, and any modifications, extensions or renewals thereof. Accordingly, the parties acknowledge and agree that the lien and security interests, rights and powers granted Mortgagee pursuant to this Junior Mortgage shall be subject and subordinate to such lien, security interests, rights and powers arising or existing by virtue of such Prior Mortgage(s), provided further, however, that in the event at the time of any enforcement or foreclosure of this Junior Mortgage, the Mortgagee continues to be the holder of such Prior Mortgage(s) as well, Mortgagee shall be permitted to enforce, foreclose and/or otherwise proceed under this Junior Mortgage and such Prior Mortgage(s) either separately or in concert, howsoever Mortgagee should then elect.

24. No Personal Liability of Co-Mortgagor, Elaine C. Olsen. The execution of this Mortgage by co-Mortgagor, Elaine C. Olsen, is rendered solely for purposes of granting, pledging, hypothecating and conferring unto Mortgagee the foregoing secured lien and security interest upon the Mortgaged Premises. No personal liability, however, is assumed by such hypothecating co-Mortgagor for payment obligations under the Note and Loan by reason of her execution of this Mortgage.

25. Defeasance/Release of Lien. Mortgagee hereby agrees to release the lien of this Mortgage upon the first to occur of: (i) full repayment of the Note and Loan Indebtedness; or (ii) a lump sum payment by Mortgagor(s) to Mortgagee of an amount equal to Fifty (50%) Percent of the then outstanding and unpaid (at the time of such lump sum payment) principal, interest, costs, advances and reasonable attorney's fees of Mortgagee (provided, further, that if the other Guarantor, Stuart B. Baum, has previously elected and made such lump sum payment option of fifty [50%] percent of the Indebtedness, it is understood that full and complete repayment of the entire remaining Note and Loan balance would be required, such other Guarantor having already repaid at least fifty [50%] percent of the Indebtedness).

IN WITNESS WHEREOF, each Mortgagor has executed this Junior Mortgage on the date first written above.

MORTGAGOR(S):



 BRUCE D. OLSEN, personally



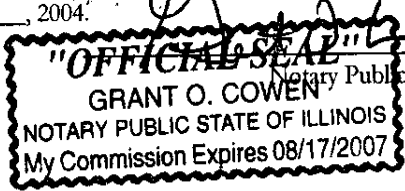
 ELAINE C. OLSEN, personally

wsb2\baum olsen\olsen residence mtg\100604\cp

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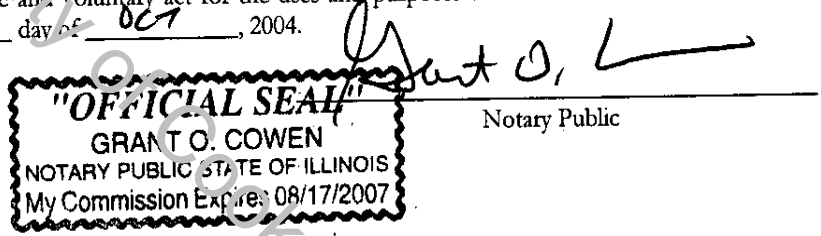
STATE OF ILLINOIS)
COUNTY OF PIPAGE) SS.

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, **DO HEREBY CERTIFY** that **BRUCE D. OLSEN**, 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 severally acknowledged that he signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth. **GIVEN** under my hand and official seal, this 13 day of Oct, 2004.



STATE OF ILLINOIS)
COUNTY OF PIPAGE) SS.

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, **DO HEREBY CERTIFY** that **ELAINE C. OLSEN**, 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 severally acknowledged that she signed and delivered the said instrument as her own free and voluntary act for the uses and purposes therein set forth. **GIVEN** under my hand and official seal, this 13 day of Oct, 2004.



County Clerk's Office

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EXHIBIT "A"

LEGAL DESCRIPTION OF "MORTGAGED PREMISES"

LOT 3 IN BLOCK 5 IN RAVENSWOOD, IN THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N.: 14-18-207-016-0000

COMMONLY KNOWN AS:
4646 NORTH WOLCOTT
CHICAGO, IL 60640

Property of Cook County Clerk's Office