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Cook County Recorder of Deeds
Date: 10/26/2005 10:30 AM Pg: 1 of 7

Lee P. Gubbins
Devon Bank
6445 N. Western Ave.
Chicago, IL 60645

MORTGAGE

This Mortgage (the "**Mortgage**") is made as of March 1, 2005, by XEZ, Inc., a corporation organized and existing under the laws of the State of Illinois with its principle place of business located at 7307 N. Cicero, Lincolnwood, Illinois 60712 ("**Mortgagor**") in favor of Devon Bank located at 6445 N. Western Avenue, Chicago, Illinois 60645 ("**Mortgagee**")

RECITALS

A. The Loan. Mortgagor is the owner of the premises commonly known as 5722 S. Justine, Chicago, Illinois 60636, having the Permanent Real Estate Index Number(s) 20-17-116-029-0000, and legally described on Exhibit A attached hereto (the "**Premises**"), together with all improvements thereon. To provide funds for the Mortgage, Mortgagee and Mortgagor have entered into a Revolving Credit Agreement dated March 1, 2005 (the "**Agreement**") providing for, among other things, loans and advances to be made from time to time by Mortgagee to the Mortgagor pursuant to the terms and conditions set therein, in an amount not to exceed One Million Five Hundred Thousand and 00/100s Dollars (1,500,000.00) (the "**Loan**").

B. The Note and other Related Documents. Pursuant to the Agreement, Mortgagor executed and delivered to the Mortgagee a Revolving Business Loan Note dated March 1, 2005, due and payable in full if not sooner paid on or before March 1, 2006, subject to acceleration or extension as provided in the Note or other Related Documents (as defined in the Agreement) in the original principal amount of \$1,500,000.00 (herein, such promissory note, together with any and all amendments or supplements thereto, extension thereof and notes which may be taken in whole or partial renewal, substitution or extension thereof or which may evidence any of the indebtedness secured hereby, shall herein be called (the "**Note**"). The principal balance from time to time unpaid under the Note shall bear interest at the rate per annum as set forth in the Note and all principal and interest on the Note are payable in lawful money of the United States of America at the Office of the Mortgagee at 6445 N. Western Avenue, IL 60645 or at such place as the holder thereof may from time to time appoint in writing.

C. The Secured Obligations. As used in this Mortgage, the term "**Secured Obligations**" means and includes all of the following: the principal of and interest on the Note; all indebtedness of

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any kind arising under, and all amounts of any kind which at any time become due or owing to the Mortgagee under or with respect to the Note, the Agreement, this Mortgage or any of the Related Documents including, without limitation, release fees under the Agreement; the due and punctual performance, observance and payment of all of the covenants, obligations and agreements to be performed, observed or paid by any party thereto, other than Mortgagee in, under or pursuant to the Note, the Loan Agreement, this Mortgage, and all of the Related Documents, and all advances, costs or expenses paid or incurred by the Mortgagee to protect any or all of the Collateral (hereinafter defined), perform any obligation of the Mortgagor hereunder or collect any amount owing to the Mortgagee which is secured hereby; any and all other liabilities, obligations and indebtedness, howsoever created, arising or evidenced, direct or indirect, absolute or contingent, recourse or nonrecourse, now or hereafter existing or due or to become due, owing by the Mortgagor to the Mortgagee including obligations under the 1st Facility as defined in the Credit Agreement (provided, however, that the maximum amount included within the Secured Obligations on account of principal shall not exceed the sum of an amount equal to two times the original principal amount of the Note plus the total amount of all advances made by the Mortgagee from time to time to protect the Collateral and the security interest and lien created hereby); interest on all of the foregoing; and all costs of enforcement and collection of the Note, the Credit Agreement, this Mortgage and the Related Documents, if any, and the Secured Obligations.

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

GRANT

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

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

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

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THIS MORTGAGE SECURES MANADATORY FUTURE ADVANCES TO BE MADE FROM TIME TO TIME IN ACCORDANCE WITH THE CREDIT AGREEMENT.

COVENANTS, CONDITIONS AND AGREEMENTS OF MORTGAGOR

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

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6. Mortgagor shall by each item of the Secured Obligations including, without limitation, principal and interest, when due, according to the terms hereof and the terms of the Note, the Agreement and the Related Documents. At the option of the Mortgagee and without notice to the Mortgagor, all the Secured Obligations shall become due and payable immediately in the case of default in making any payment of principal or interest under the Note or the occurrence of an event of default under the Agreement or any of the Related Documents.

7. When any of the Secured Obligations become due (whether by acceleration or otherwise), Mortgagee shall have the right to foreclose the lien created hereby. In any suit to foreclose, there shall be allowed and included in the Secured Obligations and as additional indebtedness in the decree for sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees (including those of in-house counsel), appraisers' fees, outlays for documentary and expert evidence, publications costs, costs of procuring all abstracts of title, title searches, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be made pursuant to such decree the true condition of the title to or the value of the Premises. All such expenditures and expenses described above shall become additional indebtedness and part of the Secured Obligations and shall be immediately due and payable with interest thereon at the default rate provided for in the Note, when paid or incurred by Mortgagee in connections with (i) any proceeding, including probate and bankruptcy, to which Mortgagee shall be a party, either as plaintiff, claimant or defendant by reason of this Mortgage or any of the Secured Obligations secured hereby; or (ii) preparations for the commencement of any suit for the foreclosure hereof after accrual of a right to foreclose whether or not actually commenced; or (iii) preparations for the defense of any actual or threatened suit or proceeding which might affect the Premises or the lien granted by this Mortgage.

8. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in Mortgagee's absolute discretion.

9. Upon or any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of said Premises. Such appointment may be made either before or after the sale, without notice, without regard to the solvency or insolvency of the Mortgagor at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not, and the Mortgagee may be appointed as such receiver. Such receiver shall have power to collect rents, issues and profits of the Premises during the pendency of such foreclosure suit and in case of a sale and a deficiency, during the full period of redemption (if any) whether there be redemption or not as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The Court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of the Secured Obligations or any tax, assessment, lien or any deficiency.

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10. No action for the enforcement of this Mortgage or any provision hereof shall be subject to any defense which would not be good and available to the party interposing it in an action at law upon the Note secured hereby.
11. The Mortgagee shall have the right to inspect the Premises upon 48 hours notice and at all reasonable times and access thereto shall be permitted for that purpose.
12. Upon Mortgagee's request the Mortgagor shall periodically deposit with Mortgagee such sums as the Mortgagee may reasonably require for payment of taxes and assessment on the Premises. Disbursements from escrow will be used to pay tax assessed.
13. If the payment of the secured Obligations or any portion thereof be extended or varied or in any party of the security be released, all persons now or at any time hereafter liable thereof, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability and the lien created by this Mortgage and all provisions hereof shall continue in full force, the right of recourse against all such persons being express reserved by the Mortgagee, notwithstanding such extension, variation or release.
14. Mortgagee shall release this mortgage and lien by proper instrument upon payment of the Secured Obligations and in accordance with the terms of the Agreement.
15. The Mortgage and all the provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used shall include all such persons and all persons liable for the payment of the Secured Obligations or other amounts hereunder. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein and the holder or holders from time to time of the Note secured hereby.
16. Waiver. Borrower voluntarily and knowingly hereby acknowledges that the transaction of which this Mortgage is a part is a transaction that does not include either agricultural real estate or residential real estate. Borrower, on behalf of itself and all Persons now or hereafter interested in the Property or the Collateral, to the fullest extent permitted by applicable Law hereby waives all rights under all appraisal, homestead, moratorium, valuation, exemption, stay, extension, and redemption statutes (including but not limited to any rights granted pursuant to 135 ILCS 5/12 122 *et seq.*), laws or equities now or hereafter existing, and hereby further waives the pleading of any statute of limitations as a defense to any and all Secured Obligations secured by this Mortgage, and Borrower agrees that no defense, claim or right based on any thereof will be asserted, or may be enforced, in any action enforcing or relating to this Mortgage or any of this Collateral. Without limiting the generality of the preceding sentence, Borrower, on its own behalf and on behalf of each and every Person acquiring any interest in or title to the Property subsequent to the date of this Mortgage, hereby irrevocably waives and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage or under any power contained herein or under any sale pursuant to any statute, order, decree or judgment of any court. Borrower, for itself and for all Persons hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Mortgage, hereby expressly waives and releases all rights to direct the order in which any of the Collateral shall be sold in the event of any sale or sales pursuant hereto and to have any of the Collateral and/or any other property now or hereafter constituting security for any of

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the Secured Obligations marshaled upon any foreclosure of this Mortgage or of any other security for any of said indebtedness.

17. ILLINOIS Credit Agreement Act. Borrower expressly agrees that for purposes of this Mortgage and each and every other Loan Document: (i) this Mortgage and each and every other Loan Document shall be a "credit agreement" under the Illinois Credit Agreements Act, 815 ILCS 160/1, *et seq.* (the "Act"); (ii) the Act applies to this transaction including, but not limited to, the execution of this Mortgage and each and every other Loan Document; and (iii) any action on or in any way related to this Mortgage and each and every other Loan Document shall be governed by the Act.

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

XEZ, Inc.

By: 

Brian Urbanowski

Its: President

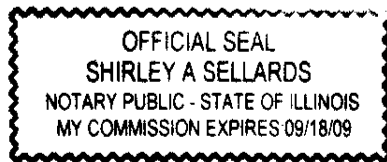
STATE OF ILLINOIS)

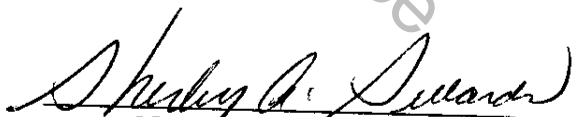
) SS

COUNTY OF COOK)

On this 26 day of October, 2005 before me appeared Brian Urbanowski, to me personally known, who, being by me duly sworn, did say that he is President of XEZ, Inc., and that he/she executed the foregoing instrument as such for the purposes therein stated of his/her and its own free will and volition.

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




Notary Public

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THE SOUTH 1/2 OF LOT 5 IN BLOCK 4 IN PLAT OF DR. SNOWDOWN'S
SUBDIVISION OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION
17, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL
MERIDAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 5722 S. JUSTIN, CHICAGO, ILLINOIS 60636

P.I.N: 20-17-116-029-0000

Property of Cook County Clerk's Office

Exhibit A