

hipo

UNOFFICIAL COPY

08113821

7705/0135 49 001 Page 1 of 11  
1998-12-08 15:00:01  
Cook County Recorder 41:50



2 of 2 Documents (GLG)

(E)

**MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT**

December 2, 1998

This Mortgage, Assignment of Leases, and Security Agreement (referred to collectively as "Mortgage") is made on December 2, 1998, by Geraldine M. McLauchlan, Donald J. McLauchlan, Richard Blaurock, and the Blaurock Family Partnership (the "Mortgagors"), whose addresses are set forth below, collectively as Mortgagor, in favor of Jose Jorge, whose address is set forth below, as Mortgagee. Execution by Mortgagors and delivery to Mortgagee of this Mortgage is effected in connection with and in relation to a Promissory Note of even date herewith executed by Mortgagors in favor of Mortgagee, *266 WEST LLC AND/OR JOSE JORGE.*

*266 WEST LLC AND/OR*

Order No. US-737475-C7

*[Handwritten signatures]*

1.1 **Certain Terms of Indebtedness.** Following is a summary of certain essential terms of the note and indebtedness secured by this Mortgage:

(a) The Note: That certain Promissory Note ("Note") of even date herewith made by Mortgagors payable to the order of Mortgagee in the original principal amount of One Million One Hundred Thousand and 00/100 Dollars (\$1,100,000.00).

(b) Interest Rate and Payments: Interest shall accrue on the amount of the principal outstanding of the Note at the rate of Eight percent (8.0 %) per annum until paid, and Mortgagors shall pay installment payments of interest as set forth in the Note. Mortgagors may pay part or all of principal on or in advance of December 1, 2000, the Maturity Date as defined below. There shall be no penalty for prepayment of principal and theretofore accrued interest.

(c) Maturity Date: Mortgagors shall, on or before the

*[Handwritten stamp]*

LAND TITLE GROUP, INC.

THIS INSTRUMENT PREPARED BY:  
Michael Greco, Esq.,  
123 West Madison Street,  
Chicago, Illinois 60602

1

AFTER RECORDATION, MAIL TO:  
LAND TITLE GROUP, INC.,  
151 East 22nd Street,  
Lombard, Illinois 60148  
ATTN: Greg Gannon

first day of the twenty-third month after the month of the first date shown above, pay to Mortgagee the entire principal amount of One Million One Hundred Thousand and 00/100 Dollars (\$1,100,000.00) plus any unpaid accrued interest at the rate of Eight percent (8.0 %) per annum.

(d) Prepayment: There shall be no penalty for prepayment of principal and theretofore accrued interest.

(e) Indebtedness: The term "Indebtedness" shall mean the principal amount and unpaid accrued interest thereon, and all fees and charges, including late charges and attorney's fees and expenses, payable or required to be paid by the Mortgagors under the terms of the Note, and all modifications, amendments, extensions, and replacements thereof, whether heretofore existing or hereafter arising.

2.1 Grant. To secure the full and timely payment of the Note and Indebtedness arising therefrom and the full and timely discharge of Mortgagors' obligations thereunder, Mortgagors by these presents hereby grant and convey unto Mortgagee and his successors and assigns the parcel of real property the common address of which is 6800-6816 W. North Avenue, Chicago, Illinois 60635 and the legal description of which is set forth on Exhibit "1" attached hereto (this parcel of real property shall be referred to herein as "Mortgaged Parcel"), to have and to hold, and do warrant that Mortgagors hold and are seized lawfully of title to the Mortgaged Parcel, free and clear of all other mortgages, liens, charges, encumbrances and security interests whatsoever, excepting, easements, covenants and restrictions of record as of the date of this Mortgage first above written, and hereby bind themselves, their successors and assigns to warrant and defend fee simple absolute title to the Mortgaged Parcel unto the Mortgagee, and the quiet enjoyment and possession thereof, against every person whomsoever claiming the same or any part thereof or interest therein.

2.2 Condition of Grant. The condition of these presents is that if Mortgagors shall pay or cause to be paid the Indebtedness as and when the same shall become due and payable and shall fully observe, perform and discharge the obligations in accordance with this Mortgage and the Note, then this Mortgage and the Note and the estates and rights granted by them shall be released and terminated by Mortgagee.

3.1 Assignment of Rents, Leases, and Profits. To secure further the full and timely payment and performance and discharge of the Indebtedness and Note, Mortgagors

hereby assign and transfer unto Mortgagee all of the Leases and the Rents now due and that may hereafter become due under or by virtue of any of the Leases that may have been or may hereafter be made or agreed to by Mortgagors or their agents, or made by the Mortgagee under the powers herein granted, it being the intention hereby to establish an absolute and present transfer and assignment of all Leases, Rents and avails thereunder to Mortgagee; provided that acceptance by Mortgagee of the foregoing assignment with all the rights, powers, privileges and authority so created, shall not, prior to entry upon and taking possession of the Mortgaged Parcel by Mortgagee, be deemed to constitute Mortgagee a "Mortgagee in Possession," nor thereafter or at any time or in any event obligate Mortgagee to appear in or defend any action or proceeding related to the Leases or to the Mortgaged Parcel, to take any actions, to expend any money, incur any expenses, or perform or discharge any obligation, duty or liability under the Leases, or to assume any obligation or responsibility for any security deposits or other deposits delivered to Mortgagors by any Lessee thereunder. Mortgagor shall not have the right to enter into new Leases or to terminate Leases on the Mortgaged Parcel without giving prior written notice to Mortgagee and obtaining Mortgagee's prior written consent thereto.

4.1 **Security Agreement.** This Mortgage shall be construed as a mortgage on a parcel of real property and shall also constitute a "Security Agreement" on personal property within the meaning of the Uniform Commercial Code with respect to the Personalty, Fixtures, Leases and Rents. Accordingly, Mortgagors grant and convey to Mortgagee a security interest in and to all of Mortgagors' right, title, and interest in, to and under the Personalty, Fixtures, Leases and Rents (herein "Collateral") to secure the full and timely payment and discharge of the obligations set forth in the Note.

4.2 **Financing Statement.** This Mortgage is intended to be a financing statement within the meaning of the Uniform Commercial Code with respect to Personalty and Fixtures. The addresses of Mortgagors (Debtors) and Mortgagee (Secured Party) are set forth herein. This Mortgage is to be filed of record in the real estate records of the county where the Mortgaged Parcel is located. Mortgagors are the record owners of the Mortgaged Parcel. Mortgagors agree to execute and deliver to Mortgagee, in form, scope and substance satisfactory to Mortgagee, any renewals or extensions of the Security Agreement or Financing Statements which Mortgagee may deem necessary to perfect and preserve his security interest, and Mortgagee may cause the statements to be filed at times and places that may be required or permitted by law to so create, preserve and perfect the security interest.

5.1 Representations and Warranties. Mortgagors represent and warrant to Mortgagee as of the date hereof and as of all dates hereafter that:

(a) Organizations. To the extent applicable, Mortgagors are duly organized, validly existing and in good standing under the laws of the State of Illinois, have the right and capacity to own property, and are in compliance with all applicable laws and regulations;

(b) Permits and Approvals. All permits, certificates, approvals and licenses required for or in connection with the ownership, use, occupancy or enjoyment of the Mortgaged Parcel or conduct of the business of the Mortgagor have been duly issued and are and shall at all times be in full force and effect;

(c) Utilities. All utility services necessary and sufficient for the full use, occupancy and operation of the Mortgaged Parcel are available to and currently servicing the Mortgaged Parcel;

(d) Condition. The buildings and improvements on the Mortgaged Parcel are and will be in good physical order and repair, are structurally sound and wind and water-tight, and all plumbing, electrical, heating, ventilation, air conditioning, and mechanical systems are in good working condition and repair;

(e) Taxes. Mortgagors have filed all federal, state, and local income tax returns required to be filed by them and have paid all taxes that have become due pursuant to the returns or assessments received by them, and Mortgagors do not know of any bases for additional assessments in respect of unpaid taxes;

(f) Litigation. There is not now pending or threatened against or affecting Mortgagors any action, suit, proceeding at law or in equity or before any administrative agency which if determined adversely to the Mortgagors would affect the Mortgaged Parcel or any Mortgagors' discharge of obligations under the Note and this Mortgage;

(g) Survival of Representations and Warranties. Each of the representations and warranties contained herein shall survive the execution and delivery of the Note and Mortgage and the consummation of the loan made by Mortgagee to Mortgagors in consideration therefor, and shall continue in full force and effect until the Note and indebtedness shall have been satisfied and paid in full.

6. Covenants.

Until the entire indebtedness is paid in full, Mortgagors unconditionally covenant and agree as follows:

6.1 Payment and Performance. Mortgagors shall cause to be paid the Indebtedness represented by the Note, as and when payments thereunder become due;

hipo

6.2 Compliance with Laws. Mortgagors will comply with all present and future laws, ordinances, rules, and regulations of every applicable governmental authority or body politic. Mortgagors shall notify Mortgagee immediately of any notice of a violation of such laws, ordinances, rules or regulations.

6.3 Repairs and Alterations. Mortgagors shall constantly maintain the Mortgaged Parcel in first-class condition and good repair and make all repairs and improvements as are necessary or appropriate for sound and efficient management; subject, however, to delays caused by strikes or labor disputes, unavailability of materials, adverse weather conditions, riots or other causes beyond Mortgagors' reasonable control;

6.4 Insurance. Mortgagors shall procure for, deliver to, pay all costs and premiums for and maintain for the benefit of Mortgagee during the term of this Mortgage insurance coverage for all risks covering the improvements and personalty including replacement cost endorsements and comprehensive general liability coverage. Casualty insurance shall be maintained in a face amount no less than the face amount of the Note. A certified copy of the policy or policies shall be furnished to Mortgagee together with a certificate demonstrating that Mortgagee is insured under that policy.

All such policies must contain a provision affording Mortgagee at least thirty (30) days' prior written notice of cancellation.

In the event any policy is cancelled, withdrawn or materially limited in a fashion that leaves Mortgagee or the Mortgaged Parcel exposed to insurable risks, Mortgagee may at his option procure his own insurance for the Mortgaged Parcel, and shall promptly notify mortgagors of such procurement. Mortgagors shall pay or reimburse on demand to or on behalf of Mortgagee the costs and premiums paid or payable for such replacement insurance.

6.5 Condemnation Proceeds. All awards of a full or partial taking of the Mortgaged Parcel by condemnation or eminent domain shall be payable to Mortgagee toward the outstanding unpaid balance of the Indebtedness due under the Note. Any proceeds remaining after the Indebtedness is paid and discharged in full shall be distributed to Mortgagors. Mortgagee shall have the right to appear in, defend, litigate, and participate in settlement of any action or suit in the nature of a condemnation or eminent domain proceeding.

6.6 Inspection. Mortgagors will permit Mortgagee, at reasonable times after oral or written notice, to inspect the Mortgaged Parcel.

6.7 Hold Harmless. Mortgagors will defend and hold harmless Mortgagee from any action, proceedings or claims affecting the Mortgaged Parcel.

hipo

6.8 Lien Status. Mortgagors shall protect the lien and security interest of this Mortgage and shall not place or permit to be placed any encumbrances on title of the Mortgaged Parcel, and shall not mortgage, hypothecate, or pledge the Mortgaged Parcel with any other lien, attachment, levy or security interest of any nature whatsoever. If such lien or encumbrance arises, Mortgagors shall promptly take steps to remove such encumbrance and defeat such lien, and shall protect and hold harmless Mortgagee from and against liability or damages, including attorney's fees, incurred to defend Mortgagee's interest in the Mortgaged Parcel against such lien or encumbrance.

6.9 Use Restrictions. Mortgagors shall not permit any party to use, maintain, operate or occupy the Mortgaged Parcel in a manner that would: (a) be dangerous (unless safeguarded as required by law); (b) constitute a public or private nuisance; (c) make void or voidable, or increase the premium of, any insurance then in effect for the Mortgaged Parcel; (d) alter the current use or occupancy of the Mortgaged Parcel.

6.10 Restoration following Casualty. If any act or occurrence of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, shall result in damage to or loss or destruction of the Mortgaged Parcel, Mortgagors shall give notice to the Mortgagee and shall promptly, at Mortgagor's sole expense, regardless of whether any insurance proceeds or condemnation award is available to Mortgagee, commence and effectuate restoration, repair, replacement and rebuilding of the Mortgaged Parcel to restore it as nearly as feasible to its condition immediately prior to the damage, loss or destruction. No damage, loss or destruction of the Mortgaged Parcel or improvements thereon shall extend the Maturity Date of the Note or the time period for meeting any other obligations under the Note or this Mortgage.

## 7. Events of Default.

An event of default shall be any of the following:

7.1 Failure of Payment of Indebtedness. If Mortgagors default in the due and punctual payment of the Indebtedness set forth in the Note and such default remains uncured for a period of ten (10) days after the applicable payment due date.

7.2 Failure to Perform Obligation. If Mortgagors shall default in the due observance of any covenants of the Note or this Mortgage, and such default remains uncured for a period of thirty (30) days.

7.3 Bankruptcy, Receivership, Insolvency. If a bankruptcy proceeding, custodianship, trusteeship, receivership, or assignment for the benefit of creditors shall be imposed upon or initiated by Mortgagors, unless such proceeding is dismissed within sixty (60) days after being commenced.

hipo

7.4 Failure to Maintain Permits and Licenses. If Mortgagors shall fail to maintain any permits or licenses that are necessary and required for the Mortgaged Parcel.

7.5 Failure to Notify Mortgagee of Default. If Mortgagors shall fail to notify Mortgagee in writing of any default in the terms of the Note and Mortgage as soon as possible after it is discovered.

7.6 Default under Leases. If Mortgagors shall default in the performance of any lessors' obligation under any lease of any part of the Mortgaged Parcel, and such default is declared, decreed or adjudged by a court having jurisdiction pursuant to a final order from which no appeals or subsequent attacks or proceedings are initiated.

**8.1 Default and Foreclosure.** If an event of default shall occur, Mortgagee may, at its option, exercise one or more or all of the following remedies, either consecutively or concurrently:

(a) Acceleration. Declare the entire unpaid balance of the Note immediately due and payable, with interest thereon accruing at the rate set forth therein until paid in full;

(b) Appointment of Receiver. Apply to a court having jurisdiction for the appointment of a receiver of the Mortgaged Parcel, and of the Rents and Leases, as a matter of right. The rents shall be applied by the Receiver to the payment of the Indebtedness under the Note and to cure of other defaults of the Note and Mortgage;

(c) Entry on Mortgaged Parcel. Mortgagee may enter upon the Mortgaged Parcel, with force permitted by law if necessary, and take exclusive possession of all books, records and accounts related thereto, except to the extent that such action may interfere with the rights of tenants under pending leases;

(d) Power of Sale. To the fullest extent permitted by law, exercise the power of sale and sell or offer for sale the Mortgaged Parcel to the highest bidder at a public auction with notice reasonable targeted to potential purchasers of the Mortgaged Parcel at a price which approximates its fair market value at the time of such notice, or with such notice as is required under the Uniform Commercial Code;

(e) Full or Partial Foreclosure. Institute and prosecute foreclosure proceedings with respect to the Mortgaged Parcel in accordance with applicable law.

8.2 Waiver of Redemption. To the extent permitted by law, Mortgagors waive all rights of redemption from sale under any court order or decree. Mortgagors further agree that they will not take advantage of any homestead exemption or other laws which might impede the progress of judicial sale or power of sale under this Mortgage.

hipo

8.3 Application of Proceeds. The proceeds of any sale of all or part of the Mortgaged Parcel and the amounts generated by any holding, leasing, operation or other use of the Mortgaged Parcel shall be applied by the Mortgagee for the following purposes:

(a) to the payment of all of the costs and expenses of taking possession of the Mortgaged Parcel and of holding, using, leasing, repairing, and selling the same, including without limitation payment of attorney's fees and receiver's fees; and

(b) to the payment of the Indebtedness arising under the Note.

8.4 Indemnity. Mortgagee shall not be obligated to perform or discharge any duty or liability of the Mortgagors, and to the extent provided by law and except for Mortgagors' willful misconduct or negligence, Mortgagors shall and hereby do agree to protect, indemnify and hold Mortgagee harmless from and against any and all liability, loss, cost or expense it may incur in the exercise of its rights, remedies, powers and authority hereunder, and of and from all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations, undertakings or liabilities. Should Mortgagee incur any loss, liability, cost or damage of or in the defense of any claims or demands, the amount thereof, including costs, expenses and attorneys' fees shall be immediately and on demand reimbursed by Mortgagors, with interest thereon accruing at the interest rate set forth in the Note.

9. Miscellaneous.

9.1 Notice. All notices, demands, requests or other communications shall be in writing and shall be deemed given if and when personally delivered, or on the second business day after being deposited in the United States mail, registered or certified, postage prepaid and affixed, addressed to a party at its address set forth below.

9.2 Modifications. This Mortgage and the Note may not be modified, changed, waived, discharged or terminated except by an instrument in writing signed by all parties to the modification, including Mortgagee.

9.3 No Waiver. The remedies of Mortgagee as provided herein or in the Note shall be cumulative and concurrent, and may be pursued singularly, successively or simultaneously, in Mortgagee's sole discretion. Failure of Mortgagee, for any period of time or on more than one occasion, to exercise its rights and remedies under the terms of this Mortgage shall not be deemed or constitute a waiver of such right or remedy with respect to any Default occurring thereafter; no other act or omission by Mortgagee shall be deemed a waiver of Mortgagee's rights or remedies unless Mortgagee executes a written document specifically waiving such rights or remedies, and then only to the extent



# UNOFFICIAL COPY

hpo

08113821

therein specified.

9.4 Governing Law. Mortgagors agree that this instrument and enforcement of the obligations set forth herein shall be governed by the law of the State of Illinois.

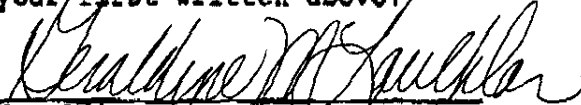
9.5 Release upon Payment and Discharge of Mortgagors' Obligations. If Mortgagors shall pay in full all principal and interest due under the Note and all other Indebtedness arising thereunder and under the terms of this Mortgage, then this Mortgage shall be satisfied and Mortgagee shall release this Mortgage and cancel the Note, and the lien thereof, by proper instrument of release tendered upon such payment and discharge, which shall be in recordable form and may be recorded at Mortgagors' expense.

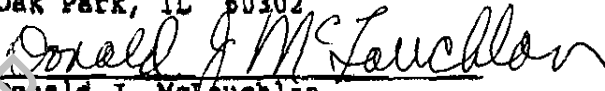
9.6 Successors and Assigns. Upon any endorsement, assignment or other transfer of this Mortgage or the Note by Mortgagee or by operation of law, the term "Mortgagee," as used herein shall mean such endorsee, assignee or transferee or successor to the Mortgagee who then becomes the holder of this Mortgage, and the Mortgage shall inure to the benefit of such holder. The term "Mortgagors," as used herein, shall include the respective successors, assigns, legal and personal representatives, executors, administrators, devisees, legatees and heirs of such Mortgagors.

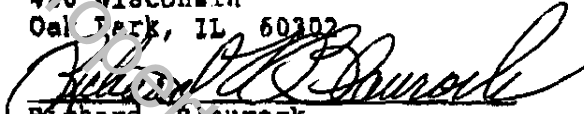
**UNOFFICIAL COPY**

hpo


IN WITNESS WHEREOF, the undersigned parties have individually or through their duly authorized representatives executed this Mortgage as of the day and year first written above.

  
Geraldine M. McLauchlan  
426 Wisconsin  
Oak Park, IL 60302

  
Donald J. McLauchlan  
426 Wisconsin  
Oak Park, IL 60302

  
Richard Blaurock  
1210 N. Elmwood Avenue  
Oak Park, IL 60302

08113821

  
Blaurock Family Partnership  
1210 N. Elmwood Avenue  
Oak Park, IL 60302

ATTEST: \_\_\_\_\_  
Name:

SUBSCRIBED & SWORN TO  
BEFORE ME 12.2.98



SEALED

MY COMMISSION EXPIRES  
5.16.2000

# UNOFFICIAL COPY

08113821

## Legal Description

Lots 15, 16, 17, 18, 19, 20 and 21 in Block 16 in J.E. White's 2nd Rutherford Park Addition to Chicago being, a subdivision of the Southwest 1/4 (except the West 22.28 chains thereof) of Section 31, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Tax Index Number 13-31-327-029, Volume 364.  
Permanent Tax Index Number 13-31-327-030, Volume 364.  
Permanent Tax Index Number 13-31-327-031, Volume 364.  
Permanent Tax Index Number 13-31-327-032, Volume 364.