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In Special Form

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THIS MORTGAGE IS A SECOND MORTGAGE

MORTGAGE

85275340

THIS INDENTURE, made October 23 19 85.

between Robert V. Sanden

2618 Harrison St., Evanston, IL 60201
(NO. AND STREET) (CITY) (STATE)

herein referred to as "Mortgagor", and STATE NATIONAL BANK, 1603 Orrington Avenue, Evanston, Illinois, herein referred to as "Mortgagee", witnesses:

Above Space For Recorder's Use Only

THAT WHEREAS, the Mortgagors are justly indebted to the Mortgagee upon an installment note of even date herewith ("Note"), in the maximum principal sum of One Hundred Twenty-five Thousand and 00/100 Dollars

(\$125,000.00)

DOLLARS (\$), payable to the order of and delivered to the Mortgagee, in and by which Note the Mortgagors promise to pay the said principal sum and interest as follows: principal and interest (applied first to accrued interest, then to principal) is due monthly in the full amount of principal and interest outstanding on, at the option of Mortgagee, in the minimum amount of \$100.00, greater of two percent (2%) of the amount of principal and interest outstanding, all accrued interest outstanding of \$100.00, with the entire balance of principal and interest due. For 5 years from the date hereof, with interest accruing on the principal balance outstanding from time to time at the rate per annum referred to herein and in the Note as the "Loan Rate", which is the "Prime Rate" described below plus whichever of the following percentages is then applicable (such percentages being adjusted as and when changed) of 2% during periods that the principal balance is less than \$25,000.00; One percent (1%) during periods that the principal balance is \$25,000.00 or greater but less than \$50,000.00; and one and one-half percent (1 1/2%) during periods that the principal balance is \$50,000.00 or greater, with the term Prime Rate being the rate of interest described as such in the "Money Rates" section of The Wall Street Journal adjusted quarterly, and all of said principal and interest is made payable at such place as the holders of the Note may, from time to time, in writing appoint, and in absence of such appointment, then at the office of the Mortgagee.

October 4

THAT WHEREAS, the aforementioned Note and this Mortgage have been issued pursuant to a Credit Agreement ("Credit Agreement") dated October 4 19 85, by Mortgagors to Mortgagee and principal indebtedness under the aforementioned Note represents loans or advances from time to time made under the Credit Agreement by Mortgagee to Mortgagors for the account of Mortgagors.

NOW, THEREFORE, the Mortgagors to secure the payment of the said principal sum of money and said interest in accordance with the terms, conditions and limitations of this Mortgage, the Credit Agreement and the Note and any extensions or renewals thereof, and the performance of the covenants and agreements contained herein and in the Credit Agreement, and also in consideration of the sum of One Dollar in hand paid, the receipt of which is hereby acknowledged, do by these presents MORTGAGE AND WARRANT unto the Mortgagee and the Mortgagee's successors and assigns, the following described Real Estate and all of their estate, right, title and interest therein, situate, lying and being in the City of Evanston COUNTY OF COOK AND STATE OF ILLINOIS, to wit:

Lot 12 in Block 7 in E.T. Paul's Addition to Evanston, a Subdivision of North East Fractional Section 11, Township 41 North, Range 13, East of the Third Principal Meridian, (except the West 10 acres thereof) and the West 6 acres of North West Fractional Quarter of Section 12, Township 41 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

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which, with the property hereinafter described, is referred to herein as the "premises". TOGETHER with all improvements, tenements, easements, fixtures and appurtenances thereto belonging and all rents, issues and profits thereof for so long and during all such times as Mortgagors may be entitled thereto (which are pledged primarily and on a parity with said real estate and, secondarily) and all apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration, whether supplied or centrally controlled, and ventilation, including (without restricting the foregoing), screens, window shades, storm doors and windows, floor coverings, in-door beds, awnings, stairs and water heaters. All of the foregoing are declared to be a part of said real estate whether physically attached thereto or not, and it is agreed that all similar apparatus, equipment or articles hereafter placed on the premises to Mortgagors or their successors or assigns shall be considered as constituting part of the real estate.

TO HAVE AND TO HOLD the premises unto the Mortgagee, and the Mortgagee's successors and assigns, forever for the purpose, and upon the uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which said rights and benefits of the Mortgagors do hereby expressly release and waive.

THIS MORTGAGE is subject to the following described first mortgage or trust deed (hereinafter "First Mortgage") the holder thereof being hereinafter referred to as the "First Mortgagee":

State National Bank

THIS MORTGAGE secures not only existing indebtedness but also future advances under the aforementioned Note and Credit Agreement made within twenty (20) years from the date hereof to the same extent as if said advances were made on the date hereof although there may be no advance on the date hereof and although there may be no indebtedness outstanding at the time any advance is made.

THE MORTGAGORS HEREBY JOINTLY AND SEVERALLY COVENANT AND AGREE AS FOLLOWS:

1. Mortgagors shall pay when due all indebtedness, including principal and interest, under the Note and Credit Agreement and any other indebtedness secured hereunder and shall duly and punctually perform and observe all of the terms, provisions, conditions, covenants and agreements on the Mortgagors' part to be performed or observed as provided herein in the Note and in the Credit Agreement and this Mortgage shall secure such payments, performance and observance.

2. Mortgagors shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed, to keep said premises in good condition and repair, without waste and free from mechanical or other liens or claims for lien except for this Mortgage and the First Mortgage; (b) pay when due any indebtedness which may be secured by a lien or charge on the premises, no such lien or charge being permitted except for this Mortgage and the First Mortgage; (c) complete within a reasonable time any building or improvements now or at any time in process of erection upon said premises, to comply with all requirements of law or municipal ordinances with respect to the premises and the use thereof, to make no material alterations in said premises except as required by law or municipal ordinance or comply in all respects with the terms and conditions of the Credit Agreement, and (d) comply in all respects with the terms and provisions of the First Mortgage.

3. Mortgagors 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 the Mortgagee a plan of taxes therefor. In present default hereunder, Mortgagors shall pay in full under protest in the manner provided by statute, any tax or assessment which Mortgagors may become liable for.

4. Mortgagors shall keep all buildings and improvements now or hereafter situated on said premises insured against loss or damage by fire, lightning and windstorm under policies providing for payment by the insurance company of monies sufficient either to pay the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby and any indebtedness superior hereby under the First Mortgage, all in companies reasonably satisfactory to the Mortgagee and the First Mortgagee, under insurance policies payable in case of loss or damage to Mortgagors and First Mortgagee as their interests shall appear, to be evidenced by the standard mortgage clause to be attached to each policy providing that the same shall not be terminated except upon ten (10) days prior written notice to Mortgagors, and shall deliver all policies, including additional and renewal policies, to the Mortgagee, and in case of insurance about to expire shall deliver renewal policies not less than ten (10) days prior to the respective dates of expiration.

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5. In case of default thereof by Mortgagee, the trustee may, but need not, make any sale or perform any act hereunder required of Mortgagee in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on the debt secured by this mortgage, including, without limitation, the First Mortgage and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereon, or redeem from any tax sale or for future affecting said premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other moneys advanced by Mortgagee to protect the premises and the lien hereof, shall be so much additional indebtedness secured hereby and shall be due and payable without notice and with interest thereon at the Loan Rate. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to the Mortgagee on account of any default hereunder on the part of the Mortgagee.

6. The Mortgagee making any payment herein 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 thereon.

7. Mortgagee shall pay each item of indebtedness secured hereunder, both principal and interest, when due according to the terms hereof and of the Note and the Credit Agreement. At the option of the Mortgagee and without notice, demand or presentment to Mortgagee, all unpaid indebtedness secured by this Mortgage shall, notwithstanding anything in the Note or in this Mortgage to the contrary, become due and payable immediately (a) if there shall occur a default in payment of any installment of principal or interest under the Note within fifteen (15) days of the due date therein provided, or (b) if a breach of any representation or warranty of Mortgagee herein contained shall occur, or (c) if a default shall occur and continue for three days in the performance of any other covenant or agreement of the Mortgagee herein contained, or (d) if there shall occur an "Event of Default" as defined in the Note, or (e) if there shall occur a "Default" as defined in the Credit Agreement.

8. When the indebtedness hereby secured shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof. In any sale to foreclose the lien hereof, there shall be allowed and included as additional indebtedness, in addition to the debt for sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraisers' fees, surveys, for disbursements and expert or doctor, stenographers' charges, public utility costs and other such items, and shall be estimated as to items to be expended after entry of the decree of foreclosure, all out-of-pocket disbursements of title, title searches, and examinations, title insurance policies, notary fees, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary, either to prosecute such sale or to insure the validity of any sale which may be had pursuant to such decree, the true condition of the title or of the value of the premises. All expenditures and expenses as herein provided in this paragraph shall not become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the Loan Rate, when paid or incurred by Mortgagee, unless thereon with (a) any proceeding, including probate and bankruptcy proceedings, to which the Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness hereby secured, or (b) preparation for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose, whether or not actually commenced, or (c) preparation for the defense of any such suit or proceedings, which might affect the premises or the security hereon.

9. Subject to any prior rights of the First Mortgagee, the proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order: (a) First, on account of any costs or expenses incident to the foreclosure proceedings, including all such items as are made a part of the preceding paragraph herein; (b) Second, to the items which under the terms hereof constitute secured indebtedness additional to the indebtedness evidenced by the Note, as interest thereon as herein provided, then all principal interest remaining unpaid on the Note and Credit Agreement, fourth, any surplus to the Mortgagee, their heirs, legatees, assigns or assigns, in the rights they may possess.

10. Upon or at or at 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 sale, without notice, without regard to the solvency or insolvency of Mortgagee, at the time of appointment, for such receiver and without regard to the then value of the premises or of either the same shall be deemed accepted as a trustee of the premises. The Mortgagee may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said premises during the pendency of such foreclosure suit, and in case of a sale and a deficiency, during the full statutory period of redemption, and thereafter by redemption, as well as during any further times when Mortgagee, except for the intervention of a court of law, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or advisable in such capacity. The power of such receiver, control, management and operation of the premises during the whole of the period, the court, from time to time, may authorize the receiver to apply the proceeds of his hands, upon payment in whole or in part of: (a) The indebtedness secured hereby, or (b) any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become a lien on the premises, or (c) such decree, provided such application is made prior to foreclosure sale, and (d) the deficiency in case of a sale and deficiency.

11. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note hereby secured.

12. The Mortgagee shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.

13. If the payment of the indebtedness secured hereby or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable thereon, or interested in said premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding such extension, variation, or release.

14. Under the Credit Agreement, Mortgagee has agreed to cause this Note to be released at its expense (including recording fees and otherwise) whenever this Mortgage no longer secures any indebtedness under the Note or Credit Agreement.

15. Mortgagee agree that they shall not cause, suffer or allow the conveyance, sale, lease, exchange, mortgage (other than this Mortgage or the First Mortgage), encumbrance (including, without limitation, mechanic's liens), attachment or other transfer or disposition of the premises or any part thereof, whether voluntary or involuntary by operation of law, without the prior written consent of Mortgagee and any such unpermitted transfer or other disposition shall constitute a default hereunder and, as provided herein, Mortgagee may thereupon without notice, demand or presentment to Mortgagee declare the indebtedness secured hereunder to be immediately due and payable and may foreclose the lien hereof.

16. This Mortgage and all provisions hereof, shall extend to and be binding upon Mortgagee and all persons claiming under or through Mortgagee, and the word "Mortgagee" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such person shall have executed the Note, the Credit Agreement or this Mortgage. 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.

Witness the hand and seal of Mortgagee the day and year first above written. 56006 * 85275340 * A - REC

Signature of Robert V. Sanden, Mortgagee. Name: Robert V. Sanden.

PLEASE PRINT OR TYPE NAME(S) BELOW SIGNATURE(S)

8 NOV 85 12:44

State of Illinois Cook

I, the undersigned a Notary Public in and for said county in the State aforesaid, DO HEREBY CERTIFY THAT Robert V. Sanden

personally known to me to be the same person whose name is subscribed to the foregoing instrument, appearing before me this day in person, who acknowledged that he executed the same, sealed and delivered the said instrument as his free act and voluntary deed for the uses and purposes therein set forth, including the release and waiver of the debt secured hereby.

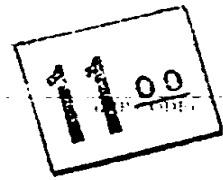
Subscribed and sworn to before me this 23rd day of October 1985 at Evanston, Illinois.

Signature of Dawn A. Herron, Notary Public. Name: Dawn A. Herron.

This instrument was prepared by State National Bank, 1603 Orrington Ave., Evanston, IL 60204

State National Bank, 1603 Orrington Ave., Evanston, IL 60204

OR RECORDER'S OFFICE BOX NO. 169



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