



PART PURCHASE MONEY TRUST DEED

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COOK COUNTY, ILLINOIS FILED FOR RECORDS 86625364

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THE ABOVE SPACE FOR RECORDER'S USE ONLY

THIS INDENTURE, made December 29 19 86, between

C.M. CONSULTING, LTD., an Illinois corporation

\$18.00

herein referred to as "Mortgagors," and CHICAGO TITLE AND TRUST COMPANY, an Illinois corporation doing business in Chicago, Illinois, herein referred to as TRUSTEE, witnesseth:

THAT, WHEREAS the Mortgagors are justly indebted to the legal holders of the Instalment Note hereinafter described, said legal holder or holders being herein referred to as Holders of the Note, in the principal sum of

Six hundred thousand and 00/100 (\$600,000)

Dollars,

evidenced by one certain Instalment Note of the Mortgagors of even date herewith, made payable to THE ORDER OF JULIAN HARWOOD AND JEROME HARWOOD

and delivered, in and by which said Note the Mortgagors promise to pay the said principal sum and interest from December 30, 1986 on the balance of principal remaining from time to time unpaid at the rate of 10 1/2 per cent per annum in instalments (including principal and interest) as follows:

|             |  |
|-------------|--|
| \$68,025.40 | Dollars or more on the 30th day of June, 1987, and |
| \$34,012.70 | Dollars on September 30, 1987, and                 |
| \$34,012.70 | Dollars on the last day of the month of each       |

consecutive three month period thereafter until said Note is fully paid except the final payment of principal or interest, if not sooner paid, shall be due on the 31st day of December, 1992. All such payments on account of the indebtedness evidenced by said note to be first applied to interest on the unpaid principal balance and the remainder to principal; provided that the principal of each instalment unless paid when due shall bear interest at the rate of 12 1/2 per annum, and all of said principal and interest being made payable at such banking house or trust company in Evanston, Illinois 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 Julian Harwood in said City,

NOW, THEREFORE, the Mortgagors to secure the payment of the said principal sum of money and said interest in accordance with the terms, provisions and limitations of this trust deed, and the performance of the covenants and agreements herein contained, by the Mortgagors to be performed, and also in consideration of the sum of One Dollar in hand paid, the receipt whereof is hereby acknowledged, do by these presents CONVEY and WARRANT unto the Trustee, its 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 Chicago COUNTY OF Cook AND STATE OF ILLINOIS, to wit: See legal description attached hereto and made a part hereof as Exhibit A

This Trust Deed contains that certain Addendum hereto of even date herewith attached hereto and made a part hereof. In addition this trust deed incorporates by reference that certain set off right as set forth in the Note secured hereby. The Note secured by this Part Purchase Money Trust Deed may be prepaid at any time without penalty.

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 not 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 single units or centrally controlled), and ventilation, including without restricting the foregoing, screens, window shades, storm doors and windows, floor coverings, inador beds, awnings, stoves 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 in the premises by the 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 said Trustee, its successors and assigns, forever, for the purposes, and upon the uses and trusts 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 the Mortgagors do hereby expressly release and waive.

This trust deed consists of two pages. The covenants, conditions and provisions appearing on page 2 (the reverse side of this trust deed) are incorporated herein by reference and are a part hereof and shall be binding on the mortgagors, their heirs, successors and assigns.

WITNESS the hand and seal of Mortgagors the day and year first above written.

Attest: [Signature] [SEAL] C.M. Consulting, Ltd., an Illinois corporation [SEAL]
By: [Signature] [SEAL] Its: [Signature] [SEAL] BY: [Signature] [SEAL]

STATE OF ILLINOIS, )
County of LAKE ) SS. I, Alan Caputo, a Notary Public in and for and residing in said County, in the State aforesaid, DO HEREBY CERTIFY THAT CAROLINE MACCHIAIOLI, Agent of C.M. CONSULTING, LTD

"OFFICIAL SEAL" personally known to me to be the same person whose name subscribed to the instrument, appeared before me this day in person and acknowledged that ALAN M. CAPUTO, Notary Public, State of Illinois signed, sealed and delivered the said instrument as Alan free and MY COMMISSION EXPIRES on 12/31/87 for the uses and purposes therein set forth. Given under my hand and Notarial Seal this 29th day of December 1986.

Notary Public

70-88-207-D1

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6. Mortgagor shall not, and will not, apply for or avail itself of any apportionment, valuation, stay, extension or exemption laws or any so called "Mortatorium Law", now existing or hereafter enacted, in order to prevent or

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5. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Premises, or any part thereof, or any interest therein, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to the Trustee or Holder. Mortgagor shall not settle, compromise, or enter into any agreement in respect to the condemnation of the Premises or the taking thereof by eminent domain or a conveyance in lieu thereof without the prior written consent of Trustee or Holder.

4. The Holder may make or cause to be made reasonable entries upon and inspections of the Premises once a year, providing that the Holder shall give the Mortgagor forty-eight hours notice thereof and such inspection shall occur during the usual business hours of Mortgagor.

3. Unless mortgagor and the holder of the note ("Note") secured hereby agree in writing, insurance proceeds shall be applied to restoration or repair of the Premises damaged, provided that holder deems the restoration of the Premises economically feasible. Provided however, that if the holder deems that the security for this Trust Deed is impaired by such damage or destruction, then holder shall have the right to direct that the proceeds of such insurance be paid directly to the Holder in all or partial satisfaction of this undertaking. In the event that such proceeds are in excess of the principal amount of the indebtedness and any accrued interest then owed, then such excess shall be paid to the Trustee or Holder. Any such application of the proceeds of insurance to the indebtedness hereunder or due under the Note secured hereby, shall not extend or postpone the due date of any monthly installment or the maturity date of the Note or change or modify the amounts due under any such monthly installments. Mortgagor shall provide Trustee and Holder with Certificate of Insurance showing Trustee and Holder as loss payees evidencing business interruption for Ashland, defined hereafter, and loss of rents (if reasonably commercially available and if the Premises and Ashland are not owned by Mortgagor) and fire and extended coverage insurance in form and amounts reasonably acceptable to Holder.

2. The monthly installments herein shall not be delinquent unless paid after the fifth day following the date upon which they are due but interest shall accrue and be payable for each day delinquent at the rate of 12-1/2% per annum until such installment is paid.

1. This Addendum is made a part of the Trust Deed and in the event of any inconsistency between the terms of the Trust Deed and the terms of this Addendum then the terms and provisions of this Addendum shall prevail. Reference to the term Trust Deed shall include this Addendum.

This is an Addendum to Part Purchase Money Trust Deed  
C.M. Consulting, Ltd., an Illinois corporation  
("Mortgagor") to Chicago Title and Trust Company  
as Trustee ("Trustee")  
("Trust Deed") dated December 29, 1986 from

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9. The extension of time for payment herein or the modification of this Trust Deed or the Note, or any other act in forbearance by Trustee or the Holder or the failure to act in respect to any of the Trustee's or the Holder's rights or remedies shall not be deemed a waiver of any rights or remedies of the Trustee or the Holder, nor shall act to release any obligor under this Trust Deed or the Note, or release any guarantor of the terms of the Trust Deed or the Note. Each right, power and remedy herein conferred upon the Trustee or Holder is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Trustee or Holder, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

8. This Trust Deed shall be governed by the laws of the State of Illinois. In the event any provision or clause of this Trust Deed or the Note secured hereby, conflicts with applicable law, such conflict shall not affect other provisions of this Trust Deed or the Note secured hereby which can be given effect without the conflicting provisions, and to such end, the provisions of the Trust Deed and the Note are declared severable. Time is of the essence of the Trust Deed and the Note.

7. In addition to all other rights to accelerate the payment of the indebtedness secured by this Trust Deed, the indebtedness secured by the Trust Deed shall become immediately due and payable upon the occurrence of any one of the following: (a) Upon Mortgagor's default under the terms of the Note, this Trust Deed, or the Security Agreement; (b) If all or any portion, or any interest in the Premises, or the shares of stock ("Shares") of Ashland Paint and Hardware Co., Inc. ("Ashland") or the shares of stock ("Stock") of the Maker of the Note secured hereby or all or any portion of the assets of Ashland, outside the ordinary course of business are sold, transferred, assigned, encumbered, pledged, hypothecated or alienated whatsoever, without the prior written consent of the Trustee or the Holder; (c) any articles of agreement for a deed, installment or other contract of sale or assignment, or other similar document or instrument is entered into in respect to the Premises, the Shares, or Stock, without the prior written consent of the Trustee or the Holder of the Note secured hereby; or (d) If Mortgagor, Ashland, or any other party or entity enters into a lease for all or a portion of the Premises (except for leases between Mortgagor and Ashland) for a lease term in excess of three (3) years, without the prior written consent of the Trustee or the Holder. Provided, that a transfer of the Premises, the Shares, or Stock to Carmine Macchiaroli and/or members of his immediate family or a corporation which is owned one hundred percent (100%) by Carmine Macchiaroli and/or members of his immediate family ("Transferee") shall be permitted, provided that such Transferee agrees to be bound by this Trust Deed, the Note and Security Agreement.

Under the enforcement or foreclosure of this Trust Deed, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates covering the Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. Mortgagor does hereby expressly waive any and all rights of redemption from sale under any order or decree of foreclosure of this Trust Deed on behalf of Mortgagor, the trust estate, all persons beneficially interested therein, and each and every person, except decree or judgment creditors of the Mortgagor in its representative capacity and of the trust estate, acquiring any interest in the title to the Premises subsequent to the date of this Trust Deed.

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14. This Trust Deed shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Trust Deed or Premises which constitutes fixtures or personal property. If a default shall occur and be continuing hereunder or under the Note or Security Agreement, Trustee and the Holder shall have all the rights with respect to such fixtures and personal property afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights and remedies afforded Trustee and the Holder by this Trust Deed or any other document or instrument securing the indebtedness secured hereby.

13. In the event that the United States of America, State of Illinois, City of Chicago, Illinois or any other governmental authority exercising jurisdiction over the Premises, Trustee or the Holder of the Note, or any other party to the Trust Deed or the Note, enacts a tax or assessment on this Trust Deed, the Note, or the indebtedness secured hereby, including any such so called "Mortgage Tax", then Mortgagor shall pay, as part of the indebtedness secured hereby, the amount of any such tax or assessment.

12. If the payment of the indebtedness secured hereby, or any part thereof, be extended or varied, or if any part of any security for the payment of the indebtedness be released, or if any person or entity liable for the payment of the indebtedness or Holder takes other or additional security for the payment of the indebtedness, or if the Trustee or Holder waives or fails to exercise any right granted herein, or in the Note secured hereby, or in any other instrument given to secure the payment thereof, all persons now or at any time hereafter liable for the payment of the indebtedness, or any part thereof, or interested in the Premises shall be held to assent to such extension, variation, release, waiver, failure to exercise or the taking of additional security, 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 Trustee or Holder notwithstanding such extension, variation, release, waiver, failure to exercise, or the taking of additional security.

11. Mortgagor, on written request of the Trustee or Holder, from time to time will furnish a signed statement of the amount of the then indebtedness secured hereby and whether or not any default then exists hereunder and specifying the nature of such default.

10. Mortgagor represents and warrants that the proceeds of the loan secured by this Trust Deed will be used for the purposes specified in Chapter 74 of the Illinois Revised Statutes, and that the principal obligation secured hereby constitutes a business loan which comes within the purview of said paragraph.

and no delay or omission of the Trustee or Holder in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

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ATTEST:

By: CM Consulting, Ltd., an Illinois corporation

Its:

IN WITNESS WHEREOF, Mortgagor has caused these presents to be executed by its duly authorized representatives on the date and year first above written.

17. An offset of the payment due under the Note arising out of the Indemnification Agreement and share purchase agreement between Mortgagor, Jerome Harwood and Julian Harwood and others, shall not be considered a default until an adjudication is made that such offset was invalid under the terms of the Indemnification Agreement and share purchase agreement.

16. Holder or Trustee shall give mortgagor ten (10) days prior written notice of Mortgagor's default hereunder, in which case Mortgagor shall have fifteen (15) days from such notice to cure a non-monetary default and seven (7) days from such notice to cure a monetary default.

Mr. Julian Harwood  
Mr. Jerome Harwood  
2007 Brunel  
Evanston, Illinois 60202

or to such other address as Mortgagor may from time to time designate by written notice to Trustee or the Holder given as herein required. All notices, demands and requests by Mortgagor to Trustee or Holder shall be deemed to have been properly given if served in person and if sent by United States registered or certified mail, postage prepaid, addressed to:

c/o Howard Gordon Kaplan, Ltd.  
180 North LaSalle Street  
Suite 2805  
Chicago, Illinois 60601  
Attention: Alan Caplan, Esq.

15. All notices, demands and requests given or required to be given by either party hereto to the other party shall be in writing. All such notices, demands and requests by Trustee or the Holder to Mortgagor shall be deemed to have been properly given if served in person or if sent by United States registered or certified mail, postage prepaid, addressed to Trustee or the Holder at:

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17-05-309-003; 17-05-309-002  
17-05-309-007; 17-05-309-005; 17-05-309-006; 17-05-309-004;  
1011, 1013, 1017, 1019, 1021, and 1023 North Ashland, Chicago, IL.  
17-05-309-003; 17-05-309-002  
17-05-309-007; 17-05-309-005; 17-05-309-006; 17-05-309-004;

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Document 1074442 for the widening of North Ashland Avenue) in Bauwen's and Stewart's Subdivision of the West Part of Block 20 in the Canal Trustee's Subdivision of the West Part of Block 20 in the Third Principal Meridian, in Cook County, Illinois.

PARCEL 6

Lot 70 in Bauwen's and Stewart's Subdivision of the West Part of Block 20 in the Canal Trustee's Subdivision of the West Part of Block 20 in the Third Principal Meridian (except that part lying West of a line 50 feet East of and parallel with the West line of said Section 5) in Cook County, Illinois.

PARCEL 5

Lot 69 in Bauwen's and Stewart's Subdivision of the West Part of Block 20 in the Canal Trustee's Subdivision of the West Part of Block 20 in the Third Principal Meridian (except that part lying West of a line 50 feet East of and parallel with the West line of said Section 5) in Cook County, Illinois.

PARCEL 4

Lot 68 and the South 4 inches of Lot 67 in Bauwen's and Stewart's Subdivision of the West Part of Block 20 in the Canal Trustee's Subdivision of the West Part of Block 20 in the Third Principal Meridian (except that part of said premises lying West of a line 50 feet East of and parallel to the West line of Section 5 aforesaid) in Cook County, Illinois.

PARCEL 3

Lot 67 (except the South 4 inches thereof, and except that part of, (except the South 4 inches of Lot 67) lying West of a line, 50 feet East of and parallel with the West line of said Section 5, conveyed to the City of Chicago, by Document No. 10786640), in Bauwen's and Stewart's Subdivision of the West Part of Block 20, in the Canal Trustee's Subdivision, in the West 1/2 Section 5, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2

Lot 66 (except that part of said lot lying West of a line, 50 feet East of and parallel with the West line of Section 5, conveyed to City of Chicago for widening North Ashland Avenue) in Bauwen's and Stewart's Subdivision of the West Part of Block 20 in the Canal Trustee's Subdivision of Part of Section 5, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 1