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PROPERTY OF COOK COUNTY CLERK'S OFFICE

THE STATE OF ILLINOIS, COUNTY OF COOK, BEING THE COUNTY OF COOK, IN THE STATE OF ILLINOIS, DO HEREBY CERTIFY THAT THE ABOVE AND FOREGOING IS A TRUE AND CORRECT COPY OF THE ORIGINAL AS FILED IN THE OFFICE OF THE CLERK OF SAID COUNTY, ON THE 17TH DAY OF JANUARY, 1998, AT CHICAGO, ILLINOIS.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND SEAL OF OFFICE, AT CHICAGO, ILLINOIS, ON THE 17TH DAY OF JANUARY, 1998.

CLERK OF COOK COUNTY

DEPUTY CLERK OF COOK COUNTY

PROPERTY OF COOK COUNTY CLERK'S OFFICE

AL-101016

COOK COUNTY CLERK'S OFFICE

30 JAN 1998

PROPERTY OF COOK COUNTY CLERK'S OFFICE



PROPERTY OF COOK COUNTY CLERK'S OFFICE

2471998

THIS MORTGAGE IS BY AND BETWEEN KARL B. WELP AND EILENE E. WELP, ("GRANTOR"), whose address is 1138 S. SACRAMENTO, CHICAGO ILL.; and Heritage County Bank ("LENDER"), whose address is 12015 S. Western Avenue, Blue Island, Illinois 60406.

GRANT OF MORTGAGE: For valuable consideration, Grantor mortgages, and warrants and conveys to Lender, all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures, all easements, royalties, appurtenances, all rights relating to the real property (including minerals, oil, gas, water, and the like), and all ditch rights (including stock in ditches with ditch or irrigation rights), located in Cook County, State of Illinois (the "Real Property") and legally described as:

LOT 27 AND THE SOUTH HALF OF LOT 28 IN BLOCK 1 IN WEST MORGAN BEING A SUBDIVISION OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 24, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

The Real Property or its address is commonly known as 1138 S. SACRAMENTO, CHICAGO, ILLINOIS.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to the Real Property. In addition, Grantor grants Lender a Uniform Commercial Code security interest in the Real Property and the Personal Property described below.

DEFINITIONS. The following words shall have the following meanings when used in this Mortgage:

Borrower. The word "Borrower" means PARTY CAKES BAKERY.

Grantor. The word "Grantor" means any and all persons and entities executing this Mortgage, including with limitation all Borrowers and Grantors named above. The Grantor is the mortgagee under this Mortgage. Any Grantor who signs this Mortgage, but does not sign the Note, is signing this Mortgage only to grant and convey that Grantor's interest in the Real Property and to grant a security interest in Grantor's interest in the Real Property to Lender and is not personally liable under the Note except as otherwise provided by contract or law.

Improvements. The word "improvements" means without limitation all existing and future buildings, structures, fixtures, additions and similar construction on the Real Property.

Indebtedness. The word "indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Mortgage, together with interest on such amounts as provided in this Mortgage. In addition to the Note, the word "indebtedness" includes all obligations, debts and liabilities of Borrower or any one or more of them, whether arising now or later, whether voluntarily or otherwise, whether due or not due, absolute or contingent, liquidated or unliquidated and whether Borrower may be liable individually or jointly with others, whether obligated as guarantor or otherwise, and whether recovery upon such indebtedness may be or hereafter may be or hereafter may become otherwise unenforceable.

Lender. The word "Lender" means Heritage County Bank. The Lender is the mortgagee under this Mortgage.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender, and includes without limitation all assignments and security interest provisions relating to the Personal Property and Real Property.

Note. The word "Note" means that certain note or credit agreement dated 08-21-1987 in the original principal amount of \$12,000.00 from Borrower to Lender, together with all renewals or modifications of and substitutions for the note agreement. The interest rate on the Note is 2.000 points over the index which is Heritage County Bank Base Rate making an initial rate of 10.250%. The currently scheduled final payment of principal and interest on the Note will be due on or before 09-01-1988. **NOTICE TO BORROWER: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property owned by Grantor, now or subsequently attached or affixed to the Real Property, together with all accessions, parts, and additions to, replacements of, and all substitutions for any of such property, and together with all proceeds (including insurance proceeds and refunds of premiums) from any sale or other disposition of such property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property described above in the "Grant of Mortgage" section.

Related Documents. The words "Related Documents" mean and include any promissory notes, loan agreements, guarantees, security agreements, and all other documents executed in connection with this Mortgage or the indebtedness, whether now or hereafter existing.

Rents. The word "Rents" means all rents, revenues, income, issues, and profits from the Real Property and the Personal Property.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE REAL AND PERSONAL PROPERTY, IS GIVEN TO SECURE PAYMENT OF THE INDEBTEDNESS AND PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THE NOTE AND THIS MORTGAGE AND IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

MORTGAGE

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

87471998

WHEN RECORDED MAIL TO:

Heritage County Bank
12015 S. Western Avenue
Blue Island, Illinois 60406

SEND TAX NOTICES TO:



87471998

87471998

(Continued)

GRANTOR'S WAIVERS. Grantor waives any rights or defenses arising by reason of any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

GRANTOR'S WARRANTIES. Grantor warrants that: (a) this Mortgage is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power and right to enter into this Mortgage and to hypothecate the Property; (c) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (d) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

BORROWER'S WAIVERS AND RESPONSIBILITIES. Lender need not tell Borrower about any action or inaction Lender takes in connection with this Mortgage. Borrower assumes the responsibility for being and keeping informed about the Property. Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Property, or any delay by Lender in realizing upon the Property. Borrower agrees to remain liable under the Note with Lender no matter what action Lender takes or fails to take under this Mortgage.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due, and shall strictly perform all of Grantor's obligations.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that its possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until in default, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in first class condition and promptly perform all repairs and maintenance necessary to preserve its value.

Hazardous Substances. Grantor represents and warrants that the Property never has been, and never will be so long as this Mortgage remains a lien on the Property, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous substance, as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), applicable state laws or regulations adopted pursuant to either of the foregoing. Grantor agrees to indemnify and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of the Mortgage. This obligation to indemnify shall survive the payment of the indebtedness and satisfaction of this Mortgage.

Nuisance, Waste. Grantor shall neither conduct or permit any nuisance nor commit or suffer any strip or waste on or to the Property or any portion thereof, including without limitation removal, or alienation by Grantor of the right to remove, any timber, minerals (including oil and gas), or soil, or gravel or rock products.

Removal of Improvements. Grantor shall not demolish or remove any improvements from the Real Property without the prior written consent of Lender. Lender shall consent if Grantor makes arrangements satisfactory to Lender to replace any improvements which Grantor proposes to remove with improvements of at least equal value.

Lender's Right to Enter. Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Property.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or surety bond (reasonably satisfactory to Lender) to protect Lender's interest.

Duty to Protect. Grantor shall do all other acts, in addition to those acts set forth above in this section, that from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may at its option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer of all or any part of the Real Property, or any interest therein, without the Lender's prior written consent. A "sale or transfer" means the conveyance of real property or any right, title or interest therein; whether legal or equitable; whether voluntary or involuntary; by outright sale; deed; installment sale contract; land contract; contract for deed; leasehold interest with a term greater than three years; lease-option contract; sale, assignment or transfer of any beneficial interest in or to any land trust holding title to the Real Property; or any other method of conveyance of real property interest. If any Grantor is a corporation, transfer also includes any change in ownership of more than 25% of the voting stock of Grantor. However, this option shall not be exercised by Lender if exercise is prohibited by federal law or by Illinois law.

TAXES AND LIENS.

Payment. Grantor shall pay when due before they become delinquent all taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Mortgage, except for the lien of taxes and assessments not due, and except as otherwise provided in the following paragraph.

Right To Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within 15 days after the lien arises or, if a lien is filed, within 15 days after Grantor has notice of the filing, secure the discharge of the lien or deposit with Lender, cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs, attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least 15 days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanics, materialmen, or other construction lien could be asserted on account of the work, services, or materials and the cost exceeds \$1,000.00. Grantor will on request furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

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Tax and Insurance Reserves. Grantor shall establish a tax and insurance reserve account to be retained from the loan proceeds in such amount deemed to be sufficient by Lender and shall pay monthly into that reserve account an amount equivalent to 1/12th of the annual real estate taxes and insurance premiums, as estimated by Lender, so as to provide sufficient funds for the payment of each year's taxes and insurance premiums one month prior to the date taxes and premiums become delinquent. If the amount so estimated and paid shall prove to be insufficient to pay such taxes, insurance premiums, assessments and other charges, Grantor shall pay the difference on demand. All such payments shall be carried in an interest-free tax and insurance account with Lender, provided that the Note is executed in connection with the granting of a mortgage on a single-family owner-occupied residential property. Grantor, in lieu of establishing a tax and insurance reserve account, may pledge an interest bearing savings account with Lender to secure the payment of estimated Taxes and premiums. Lender shall have the right to draw upon the reserve (or pledge) account to pay such items; and Lender shall not be required to determine the validity or accuracy of any item before paying it. Nothing herein shall be construed as requiring Lender to advance other monies for such purposes and Lender shall not incur any liability for anything it may do or omit to do hereunder. All amounts in any tax and insurance account are hereby pledged to further secure the indebtedness; and Lender is hereby authorized to withdraw and apply such account on the indebtedness in the event of default.

PROPERTY DAMAGE INSURANCE.

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgage clause in favor of Lender. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of 10 days prior written notice to Lender.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within 15 days of the casualty. Lender may, at its election, apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default hereunder. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used to pay any amounts owing to Lender under this Mortgage, then to prepay accrued interest, and then principal of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor.

Unexpired Insurance at Sale. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any trustee's sale or other sale held under the provisions of this Mortgage, or at any foreclosure sale of such Property.

Grantor's Report on Insurance. Upon request of Lender, however not more often than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the property insured, the then current replacement value of such property, and the manner of determining that value; and (e) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

EXPENDITURES BY LENDER. If Grantor fails to comply with any provision of this Mortgage or if any action or proceeding is commenced that would affect Lender's interests in the Property, Lender may, at its option, on Grantor's behalf take the required action and any amount that it expends in so doing shall be added to the indebtedness. Amounts so added shall be payable on demand with interest from the date of expenditure until paid at the Note rate. The rights provided for in this section shall be in addition to any other rights or remedies to which Lender may be entitled on account of the default. By taking the required action, Lender shall not cure the default so as to bar it from any remedy that it otherwise would have had.

WARRANTY; DEFENSE OF TITLE.

Title. Grantor warrants that it holds marketable title of record to the Property in fee simple free and clear of all liens and encumbrances other than those set forth in any policy of title insurance issued in favor of, and accepted by, Lender in connection with this Mortgage.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at its expense. Grantor may be the nominal party in such proceeding but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as may be requested by it from time to time to permit such participation.

Compliance With Laws. Grantor warrants that its use of the Property complies with all existing applicable laws, ordinances and regulations of governmental authorities.

CONDEMNATION.

Application of Net Proceeds. If all or any part of the Property is condemned, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees necessarily paid or incurred by Grantor, or Lender in connection with the condemnation.

Proceedings. If any proceedings in condemnation are filed, Grantor shall promptly notify Lender in writing and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered, to Lender such instruments as may be requested by it from time to time to permit such participation.

IMPOSITION OF TAX BY STATE.

State Taxes Covered. The following shall constitute state taxes to which this section applies: (a) a specific tax upon this type of Mortgage or upon all or any part of the indebtedness secured by this Mortgage; (b) a specific tax on any Grantor which the taxpayer is authorized or required to deduct from payments on the indebtedness secured by this type of Mortgage; (c) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (d) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by any Grantor.

Remedies. If any state tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as a default, and Lender may exercise any or all of the remedies available to it in the event of a default unless the following conditions are met: (a) Grantor may lawfully pay the tax or charge imposed by the state tax; and (b) Grantor pays or offers to pay the tax or charge within 30 days after notice from Lender that the tax law has been enacted.

SECURITY AGREEMENT; FINANCING STATEMENTS.

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Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured party under the Illinois Uniform Commercial Code.

Security Interest. Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. Grantor hereby appoints Lender as Grantor's attorney in fact for the purpose of executing any documents necessary to perfect or continue the security interest granted in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file copies or reproductions of this Mortgage as a financing statement. Grantor will reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property and make it available to Lender within three days after receipt of written demand from Lender.

Addressees. The mailing address of Grantor (debtor) and the mailing address of Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Illinois Uniform Commercial Code) are as stated on the first page of this Mortgage.

FULL PERFORMANCE. If Grantor pays all of the indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Mortgage and the Note, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

DEFAULT. The following shall constitute events of default:

Default on Indebtedness. Borrower fails to make any payment when due on the indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or for any other payment necessary to prevent filing of or to effect discharge of any lien.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Mortgage, the Note or in any of the Related Documents. If such a failure is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding 12 months, it may be cured (and no event of default will have occurred) if Grantor, after receiving written notice from Lender demanding cure of such failure: (a) cures the failure within 15 days; or (b) if the cure requires more than 15 days, immediately initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

Breaches. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Mortgage, the Note or the Related Documents is, or at the time made or furnished was, false in any material respect.

Insolvency. The insolvency of Grantor, appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor, or the dissolution or termination of Grantor's existence as a going business (if Grantor is a business). Except to the extent prohibited by federal law or Illinois law, the death of Grantor (if Grantor is an individual) also shall constitute an event of default under this Mortgage.

Foreclosure, etc. Commencement of foreclosure, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor against any of the Property, however this subsection shall not apply to the event of a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the foreclosure, provided that Grantor gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender.

Leasehold Default. If the interest of Grantor in the Property is a leasehold interest, any default by Grantor under the terms of the lease, or any other event (whether or not the fault of Grantor) that results in the termination of Grantor's leasehold rights.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantors. Any of the preceding events occur with respect to any guarantor of any of the indebtedness or such guarantor dies or becomes incompetent, unless the obligations arising under the guaranty and related agreements have been unconditionally assumed by the guarantor's estate in a manner satisfactory to Lender.

Insecurity. If Lender reasonably deems itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any event of default and at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Illinois Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney in fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Mortgagee in Possession. Lender shall have the right to be placed as mortgagee in possession or to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the indebtedness. The mortgagee in possession or receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

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Severability. The unenforceability or invalidity of any provision or provisions of this Mortgage as to any persons or circumstances shall not render that provision or those provisions unenforceable or invalid as to any other persons or circumstances, and all provisions of this Mortgage, in all other respects, shall remain valid and enforceable.

Multiple Parties; Corporate Authority. If Grantor (including any and all Borrowers executing this Mortgage) consists of more than one person or entity, all obligations of Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor. Where any one or more of Grantors are corporations or partnerships, it is not necessary for Lender to inquire into the powers of the Grantors or of the officers, directors, partners, or agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Mortgage.

EACH GRANTOR ACKNOWLEDGES IT HAS READ ALL OF THE PROVISIONS OF THIS MORTGAGE AND EACH GRANTOR AGREES TO ITS TERMS.

Borrower: PARTY CAKES BAKERY

by Karl B Welp by Eilene Welp

Grantor:

x Karl B Welp
KARL B. WELP

x Eilene Welp
EILENE E. WELP

This Mortgage prepared by:

Lisa M. Witkowski

CORPORATE ACKNOWLEDGMENT

STATE OF Illinois

COUNTY OF Cook

On this 25th day of August, 1987, before me, the undersigned Notary Public, personally appeared and, and respectively of PARTY CAKES BAKERY, and known to me to be authorized agents of the corporation that executed the Mortgage and acknowledged the Mortgage to be the free and voluntary act and deed of the corporation, by authority of its bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute and in fact executed the Mortgage on behalf of the corporation.

By Lisa M. Witkowski Residing at 12015 S. Western Ave.

Notary Public In and for the State of Illinois My commission expires Feb 18, 1990

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Illinois

COUNTY OF Cook

On this day before me, the undersigned Notary Public, personally appeared KARL B. WELP and EILENE E. WELP, to me known to be the Individuals described in and who executed the Mortgage and acknowledged that they signed the Mortgage as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 25th day of August, 1987.

By Lisa M. Witkowski Residing at 12015 S. Western Ave.

Notary Public In and for the State of Illinois My commission expires Feb 18, 1990

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#17.00

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CORPORATE ACCOUNTS

AUG-26-87 46099 87471998 A REC 17.00

INDIVIDUAL ACCOUNTS

-87-471998

