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## MORTGAGE AND ASSIGNMENT OF RENTS

# 20.00

CH 234680

This Second Mortgage ("Mortgage") is made as of this 8<sup>th</sup> day of September, 1987, by FRANK A. PANKA and PATRICIA PANKA, husband and wife (herein "Mortgagor"), for the benefit of CONGRESS FINANCIAL CORPORATION (CENTRAL), a New York corporation with an office at 100 South Wacker Drive, Chicago, Illinois 60606 (herein "Lender").

WHEREAS, B&P Creative Laminates Inc. ("Borrower") and Lender have entered into that certain Accounts Financing Agreement [Security Agreement], as supplemented by that certain Rider No. 1, each of even date herewith (collectively the "Loan Agreement") pursuant to which the Lender may extend certain loans and other financial accommodations to Borrower; and

WHEREAS, FRANK A. PANKA is one of the principals of the Borrower; and

WHEREAS, FRANK A. PANKA, as Guarantor, has executed and delivered to the Lender a certain Guaranty (the "Guaranty") dated September 8, 1987 with respect to the obligations of the Borrower under the Loan Agreement and otherwise.

NOW, THEREFORE, for the purpose of securing the indebtedness and obligations of (i) the Borrower under the Loan Agreement, and all extensions, renewals, modifications, and substitutions thereof, and (ii) the Guarantor under the Guaranty, and all extensions, renewals, modifications and substitutions thereof respectively, and the performance of the covenants and agreements herein contained to be performed by the Mortgagor, Mortgagor hereby mortgages and warrants unto the Lender, its successors and assigns, the real estate described in Exhibit A attached hereto and made a part hereof, and all of its estate, right, title and interest therein, situated, lying and being in the County of Cook and the State of Illinois;

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents all of which shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing together with said property are hereinafter referred to as the "Property."

COVENANTS. Mortgagor and Lender covenant and agree as follows:

1. Security. This Mortgage secures any and all sums due or to become due under the Loan Agreement, the

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Perm. Inv. No. 03-17-116-003 CFO

Property address: 2 E. Brookwood Ct. Arlington Heights, Ill

Prepared by + mail to: Tom Donnelly, Sidley + Austin, One First Natl. Plaza  
Chicago, Ill. 60603

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Guaranty or any other document or agreement executed in connection with Lender's extension of credit to or for Mortgagor and any and all payments thereunder.

2. Payment of Principal and Interest. Mortgagor shall pay or cause to be paid promptly when due the principal and interest indebtedness evidenced by and as provided in the Loan Agreement and all obligations of Guarantor under the Guaranty.

3. Proof of Payment of Taxes and Other Impositions. Mortgagor will promptly pay when due, and within thirty (30) days after notice and demand will deliver to the Lender satisfactory proof of the payment of, all taxes, assessments, water rates, sewer rents and other governmental and municipal charges, and within ten (10) days after notice and demand, proof of the payment of insurance premiums, conditional sales contracts and chattel mortgages, costs of repairs, replacements and maintenance on the Property which may be or become a lien thereon, and if such proof of payment of any such item is not delivered within the times above specified, then the failure to furnish such proof may be conclusively deemed by the Lender to be a default in the payment thereof hereunder and to be a waiver by the Mortgagor of any right to assert or plead payment thereof as a defense to or to deprive the Lender of any right to remedy hereunder.

4. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Loan Agreement and the Guaranty shall be applied by Lender first to interest payable on the Loans and the obligations under the Guaranty, and then to the principal of the Loans and obligations under the Guaranty.

5. Prior Mortgages and Deeds of Trust; Charges; Liens. Mortgagor shall perform all of Mortgagor's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Mortgagor's covenants to make payments when due. Mortgagor shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

6. Hazard Insurance. Mortgagor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the terms "extended coverage," and such other hazards as Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Mortgagor subject to approval by Lender, provided,

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that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgagee clause in favor of with loss payable to, and otherwise in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

In the event of loss, Mortgagor shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Mortgagor.

If the Property is abandoned by Mortgagor, or if Mortgagor fails to respond to Lender within 30 days from the date notice is mailed by Lender to Mortgagor that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage. Mortgagor hereby directs any insurance companies to pay directly to Lender, as its interests may appear, any proceeds in the event of any loss or damage, and Mortgagee hereby appoints Lender as attorney-in-fact to endorse any drafts therefor.

7. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Mortgagor shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Mortgagor shall perform all of Mortgagor's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

8. Protection of Lender's Security. If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Mortgagor, may make such appearances, disburse such sums, including actual attorneys' fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Mortgagor shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with the Mortgagor's and Lender's written agreement or applicable law.

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Any amounts disbursed by Lender pursuant to this paragraph 8, with interest thereon, at the rate set forth in the Loan Agreement, shall become additional indebtedness of Mortgagor secured by this Mortgage. Unless Mortgagor and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Mortgagor requesting payment thereof. Nothing contained in this paragraph 8 shall require Lender to incur any expense or take any action hereunder.

9. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

11. Mortgagor Not Released; Forbearance by Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Mortgagor shall not operate to release, in any manner, the liability of the original Mortgagor and Mortgagor's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Mortgagor and Mortgagor's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Mortgagor, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Mortgagor shall be joint and several. Any Mortgagor who co-signs this Mortgage, but does not execute the Loan Agreement or the Guaranty, (a) is co-signing this Mortgage only to mortgage and warrant that Mortgagor's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Loan Agreement or Guaranty or under this Mortgage, and (c) agrees that Lender and any other Mortgagor hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the

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Loan Agreement and Guaranty without that Mortgagor's consent and without releasing that Mortgagor or modifying this Mortgage as to that Mortgagor's interest in the Property.

13. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Mortgagor provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail return receipt requested addressed to Mortgagor at the Property address or at such other address as Mortgagor may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail return receipt requested to Lender's address stated herein or to such other address as Lender may designate by notice to Mortgagor as provided herein. Any notice provided for in this Mortgage shall be deemed to have been served and effective on the date of delivery, if hand delivered, or on the date of mailing shown on the certified receipt, if mailed.

14. Governing Law; Severability. This Mortgage shall be governed by and construed in accordance with the internal laws and decisions (as opposed to the conflicts of laws provisions) of the state of Illinois. In the event that any provision or clause of this Mortgage or the Loan Agreement or Guaranty conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Loan Agreement or Guaranty which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Loan Agreement and Guaranty are declared to be severable. As used herein, "costs," "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

15. Rehabilitation Loan Agreement. Mortgagor shall fulfill all of Mortgagor's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Mortgagor enters into with Lender. Lender, at Lender's option, may require Mortgagor to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Mortgagor may have against parties who supply labor, materials or services in connection with improvements made to the Property.

16. Transfer of the Property or a Beneficial Interest in Mortgagor. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Mortgagor is sold or transferred and Mortgagor is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full, on demand, of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage.

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17. Mortgagor's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Mortgagor's breach, Mortgagor shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Mortgagor pays or causes to be paid to Lender all sums which would be then due under this Mortgage and the Loan Agreement and Guaranty had no acceleration occurred; (b) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor contained in this Mortgage; (c) Mortgagor pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Mortgagor contained in this Mortgage, and in enforcing Lender's remedies as provided in paragraph 17 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Mortgagor takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Mortgagor's obligation to pay or cause to be paid the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

18. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Mortgagor hereby assigns to Lender the rents of the Property, provided that Mortgagor shall, prior to acceleration under paragraph 16 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 16 hereof or abandonment of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

19. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Mortgagor.

20. Waiver of Homestead. Mortgagor hereby waives all right of homestead exemption in the Property.

21. Future Advances. It is the intent hereof to secure on a priority basis from the date of recording of this Mortgage payment of the Loans and obligations under the Loan Agreement and the Guaranty whether the entire amount shall

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have been advanced to Borrower at the date hereof or at a later date, or having been advanced, shall have been repaid in part and further advances made at a later date. It is understood that at any time before the cancellation and release of this Mortgage, the Loans, the Loan Agreement, the Guaranty, and this Mortgage, including the terms of repayment thereof, may from time to time be modified or amended in writing by Borrower and/or Mortgagor (as the case may be) and Lender to include any additional future advance or advances for any purpose made by the Lender, at its option, to or for the benefit of the Borrower. Mortgagor covenants and agrees that this Mortgage secures (on a priority basis from the date of recording of this Mortgage) any and all such future advance or advances whether the same are of the same or a different kind or quality as the original advances, whether or not related to the original advances, together with the specified interest thereon as well as the hereinbefore described principal and interest now evidenced by the Loans, the Loan Agreement, and the Guaranty. The Loans, including the principal thereof and interest and premiums, if any, thereon, and all extensions, modifications, substitutions or renewals thereof, in whole or in part, any future advances, with interest thereon, made by the Lender to or for the benefit of the Borrower pursuant to this paragraph 22 hereof, and all other sums which may be at any time due or owing or required to be paid as herein or in the Loan Agreement or Guaranty provided are hereby secured by this Mortgage; provided, however, that the total principal amount secured hereby shall not exceed TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) at any one time and provided, however, that this Mortgage shall only secure on said priority basis those further or future advances that are made within 20 years of the date hereof. (Nothing contained in this paragraph shall be considered as limiting the interest which may be secured hereby or the amount or amounts that shall be secured herein when advanced to protect the real estate security.)

22. Request for Notice of Default and Foreclosure Under Superior Mortgages or Deeds of Trust. Mortgagor and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

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Mortgage.

IN WITNESS WHEREOF, Mortgagor has executed this

FRANK A. PANKA



PATRICIA PANKA



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COOK COUNTY, ILLINOIS  
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STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, Deborah L. Staley, a Notary Public in and for said county and state, do hereby certify that Frank A. Panka and Patricia Panka personally known to me to be the same person(s) whose name(s) are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 14th day of September, 1987.

Deborah L. Staley  
Notary Public

My Commission expires:

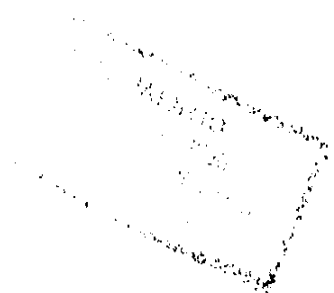
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## EXHIBIT A

Legal Description of the Land:

Lot 81 in Chatelaine Subdivision, Unit No. 4,  
being a subdivision of part of the west 1/2 of the  
northwest 1/4 of section 17, township 42 north, range 11,  
east of the third principal meridian, in Cook County,  
Illinois.

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