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BOX 333-WJ

20 *00*

COOK COUNTY, ILLINOIS
FILED FOR RECORD

1987 DEC 10 PM 3:54

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This Instrument was prepared by: *MARK T O.*
Thomas P. Riordan
208 S. LaSalle Street
Chicago, IL 60604

M O R T G A G E

THIS MORTGAGE IS MADE THIS 4th day of December, 1987, between the Mortgagor PALOS BANK & TRUST COMPANY, not personally, but as Trustee under the provisions of a Deed or Deeds in Trust recorded and delivered to said company pursuant to a Trust Agreement dated November 12, 1987 and known as Trust Number 1-2659 (herein "Borrower") and the Mortgagee MERCHANDISE NATIONAL BANK OF CHICAGO, a National Banking Association organized and existing under the laws of the U.S.A., whose address is Merchandise Mart Plaza, Chicago, Illinois 60654 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of Two Million Seven Hundred Fifty Thousand and no/100 (\$2,075,000.00) Dollars, which indebtedness is evidenced by Borrower's Note dated December 4, 1987 (herein "Note"), providing for monthly instalments of interest from January 4, 1988 to December 4, 1990, with the balance of the indebtedness, if not sooner paid, due and payable on December 4, 1990.

To secure to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of Cook, State of Illinois:

The East 1/3 of the North 10 acres of the East 1/2 of the North East 1/4 of Section 25, Township 37 North, Range 12, East of the Third Principal Meridian in Cook County, Illinois, except therefrom the following described portion thereof:

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Beginning at the point of intersection of the West line of South Harlem Avenue, as dedicated per Document Number 11231375 (said West line lying 50 feet west of and parallel with the East line of said Section 25) and the South line of West 119th Street, as dedicated per Document Number 11194076 (said South line lying 50 feet South of and parallel with the North Line of said Section 25); Thence West along the said South line of 119th Street, a distance of 20.0 feet to a point; thence southeasterly along a straight line, a distance of 28.28 feet to a point on the aforesaid west line of Harlem Avenue, said point lying 20.0 feet South of the point of beginning (as measured along said West Line); thence North along said West line 20.0 feet to the point of beginning, all in Cook County, Illinois

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which has the address of Southwest Corner of Harlem Avenue and College Drive, Palos Heights, Illinois, 60463 (herein "Property Address");

Together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto 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 herein, referred to as the "Property".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

UNIFORM COVENANTS. BORROWER AND LENDER covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note and prepayment and late charges as provided in the Note, secured by this Mortgage.

2. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraph 1 hereof shall be applied by Lender first in

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payment of amounts payable to Lender by Borrower of unpaid collection costs and late charges, then to interest payable on the Note, then to the principal of the Note.

3. Charges; Liens. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, by Borrower making payment, when due, directly to the payee thereof.

Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph and Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage, provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

4. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazard as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sum secured by this Mortgage.

The insurance carrier providing the insurance shall be chosen by borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid by Borrower making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard lender's loss payable clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the

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sums secured by this Mortgage with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within ten (10) days from the date notice is mailed by Lender to Borrower 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.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly instalments referred to in paragraph 1 hereof or change the amount of such instalments. If under paragraph 1 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

5. Preservation and Maintenance of Property: Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property.

6. Protection of Lender's Security. If Borrower 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, including, but not limited to eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this paragraph 6, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take any action hereunder.

7. Inspection. Lender may make or cause to be made reasonable entries upon and inspection of the Property, provided that Lender shall give Borrower notice prior to any

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such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

8. Condemnation. The proceeds of any award of 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.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within ten (10) days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly instalments referred to in paragraph 1 hereof or change the amount of such instalments.

9. Borrower Not Released. 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 Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower'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 Borrower and Borrower's successor in interest.

10. Forbearance by Lender Not a Waiver. 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. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

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11. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 1 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

13. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice addressed to Borrower at the Property Address or at such other address as Borrower 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 Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

14. Uniform Mortgage; Governing Law; Severability. This form of mortgage combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Mortgage shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

15. Borrower's Copy. Borrower shall be furnished a photocopy of the Note and of this Mortgage at the time of execution or after recordation hereof.

16. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (c) the grant of any leasehold interest of five years or less not containing an option to purchase, Lender may, at Lender's

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option, declare all the sums secured by this Mortgage to be immediately due and payable.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 13 hereof. Such notice shall provide a period of not less than ten (10) days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 17 hereof.

NON UNIFORM COVENANT. BORROWER and LENDER further covenant and agree as follows:

17. Acceleration; Remedies. Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 13 hereof specifying; (1) the breach; (2) the action required to cure such breach; (3) a date, not less than ten (10) days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorney's fees, and costs of documentary evidence, abstracts and title reports.

18. Borrower's Right To Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower 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) Borrower pays Lender all sums which would be then due under this Mortgage and Note, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in paragraph 17 hereof, including, but not limited to, reasonable attorney's fees' and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's

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obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

19. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 17 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 17 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled 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 Lender or 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 attorney's fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

20. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

21. Waiver of Homestead. Borrower hereby waives all right of homestead exemption in the Property.

22. Waiver of Right of Redemption. Borrower hereby waives all right to redemption in the property.

THIS MORTGAGE is executed by the PALOS BANK & TRUST COMPANY, not personally, but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee and it is expressly understood and agreed that nothing herein or in said Note contained shall be construed as creating any liability on the PALOS BANK & TRUST COMPANY personally to pay the said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by Trustee and by every person now or hereafter claiming any right or security hereunder, and that so far as PALOS BANK & TRUST COMPANY personally is concerned, the legal holder or holders of said Note shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created, in the manner herein, and in said note provided or by action to enforce the personal liability of the guarantor, if any.

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IN WITNESS WHEREOF, PALOS BANK & TRUST COMPANY not personally, but as Trustee as aforesaid, has cause these presents to be signed by one of its Vice-Presidents or Assistant Vice-Presidents and its corporate seal to be hereunto affixed and attested by its Cashier, the day and year first above written.

PALOS BANK & TRUST COMPANY
as aforesaid, and not
personally

BY: Peggy Deutch

Attest: Joseph D. Newell

RIDER ATTACHED TO AND MADE A PART OF MORTGAGE DATED Nov. 12, 1987
RELATING TO REAL ESTATE HELD UNDER TRUST NO. 1-2659, PALOS BANK AND TRUST COMPANY, AS TRUSTEE

This note is executed by Palos Bank and Trust Company, not personally, but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed by each original and successive owner or holder of this note that nothing herein contained shall be construed as creating any personal liability on Palos Bank and Trust Company or on any of the beneficiaries under said trust agreement to pay this note or any interest that may accrue hereunder, all such liability, if any, being expressly waived, and that any recovery on this note or on the mortgage given to secure its payment shall be solely against and out of the property described in said mortgage by enforcement of the provision contained in said mortgage and note, but this waiver shall in no way affect the personal liability of any cosigner, endorser or guarantor of this note. Each original and successive owner or holder of this note accepts the same upon the express condition that no duty shall rest upon the trustee to sequester the rents, issues and profits arising from the property described in said mortgage or the proceeds arising from the sale or other disposition thereof.

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Exculpatory Clause-Mortgage

personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such AST. V.P. and TRUST OFFICER, they signed and delivered the said instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

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GIVEN UNDER my hand and official notary seal, this 10th day of DECEMBER, 1987.

"OFFICIAL SEAL"
Helen Pappas
Notary Public, State of Illinois
My Commission Expires 4/24/90

Helen Pappas

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My Commission Expires 4/24/80
Notary Public, State of Illinois
Helen Pappas
"OFFICIAL SEAL"

Helen Pappas

GIVEN UNDER my hand and official notary seal, this 10th day of DECEMBER, 1987.

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that the REGGIE DEWITT personally known to me to be the VICE PRESIDENT of PALOR BANK AND TRUST COMPANY, a corporation, and JOSEPH D. MARZALUK personally known to me to be the TRUST OFFICER of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such AST. V.P. and TRUST OFFICER, they signed and delivered the said instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

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STATE OF ILLINOIS) SS
COUNTY OF COOK)

ACKNOWLEDGMENT

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