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MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT
AND
FINANCING STATEMENT

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THIS MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT, and FINANCING STATEMENT made as of JUNE 8, 1987, by and between SWABY MANUFACTURING COMPANY, an Illinois corporation having its principal office at 1820 North Major Street, Chicago, Illinois 60639 (hereinafter referred to as "Mortgagor") and BOULEVARD BANK NATIONAL ASSOCIATION, a national banking association, having its principal office at 410 North Michigan Avenue, Chicago, Illinois 60611, (the "Mortgagee").

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W I T N E S S E T H:

WHEREAS, Mortgagor concurrently herewith executed and delivered to Mortgagee that certain Installment Note of even date herewith in the principal sum of Two Hundred Thousand Dollars (\$200,000) payable to the order of Mortgagee, with interest thereon at the rate provided in said Note, in installments with a final balloon payment of principal and interest due June 30, 1992 (the "Installment Note") and that certain Promissory Note (Revolving Fixed Maturity) of even date herewith in the principal sum of \$200,000 payable to the order of Mortgagee, whereby Mortgagor promises to pay such principal sum or so much thereof as shall be disbursed under said Note from time to time with interest thereon at the rates and in the manner provided in said Note with such principal to be paid in full on or before June 30, 1988 (the "Line of Credit Note"); and all of said principal and interest payable pursuant to said Notes (hereinafter sometimes referred to collectively as the "Notes") to be paid at such place as the holder(s) of the Notes may, from time to time, in writing appoint, and in the absence of such appointment, then at the office of Mortgagee at 410 North Michigan Avenue, Chicago, Illinois 60611; and

WHEREAS, Mortgagor concurrently herewith executed and delivered to Mortgagee a certain Loan Agreement, Security Agreement (Equipment) and Security Agreement (Accounts Receivable and Inventory), each of even date herewith (which agreements of Mortgagor, together with the Notes, are herein sometimes referred to collectively as the "Loan Documents");

NOW, THEREFORE, to secure the payment of the aforesaid principal sums and interest according to the Notes, said Notes being on a parity with one another and a default respecting the terms of either Note being a default with respect to the other, and any and all other indebtedness now or hereafter owing to Mortgagee in accordance with the terms, provisions and limitations of this Mortgage and the performance of the covenants and agreements of Mortgagor herein and in the Loan Documents contained and in consideration and as a condition of the making of the loans evidenced by the Notes and any advance by Mortgagee for the benefit of Mortgagor in connection therewith and for other good and valuable consideration, the receipt of which is hereby acknowledged, Mortgagor does by these presents grant, remise, release, alien, assign and convey and warrant to the Mortgagee and to its successors and assigns, with power of sale, all the estate, right, title and interest of Mortgagor in, to and under, or derived from

- (i) those certain parcels of real estate situate, lying and being in the County of Cook and State of Illinois, and legally described in Exhibit A attached hereto and by

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this reference made a part hereof, together with all buildings, improvements and fixtures now or hereafter located on said real estate, including without limitation all building and construction materials and equipment to be delivered to and to become incorporated in any buildings or improvements to be constructed on the real estate and all fixtures, equipment, machinery, appliances, pipes, conduits and furnishings of every kind and description which may be used or useful in connection with the operation of said real estate and/or used to supply heat, gas, air conditioning, water, light, power, refrigeration and ventilation to said real estate; all tenements, hereditaments, easements, licenses and privileges at any time appertaining or belonging to said real estate; all right, title and interest of Mortgagor, whether now or hereafter acquired, in and to any street, road, highway or alley adjoining said real estate, and all proceeds and products from any of the foregoing and from said real estate, including but not limited to insurance proceeds and condemnation or eminent domain awards, (the "Real Estate"); and

- (ii) all building materials, goods, construction materials, furnishings, fixtures, and equipment and all other tangible property of Mortgagor, wherever located, which are now or hereafter used or useful in connection with the construction or operation of any improvements now or hereafter located on the Real Estate, and all additions and accessions to and replacements of any such property and all proceeds therefrom (the "Equipment"); and
- (iii) all right, title and interest of Mortgagor in all present and future leases and tenancies of the Real Estate and all rents and other revenues, rights and benefits accruing to Mortgagor thereunder, and all other rents, issues and profits from the Real Estate,

(all of which is hereinafter referred to collectively as the "Premises");

TO HAVE AND TO HOLD the Premises unto the Mortgagee and the Mortgagee's successors and assigns, forever, for the purposes, and upon the uses herein set forth.

AND Mortgagor covenants with the Mortgagee that:

1. All of the terms, provisions, covenants, conditions, representations, warranties and agreements of the Loan Documents are hereby fully incorporated in and made a part of this Mortgage to the same extent as if fully set forth herein. All advances made and indebtedness arising or incurred under the Loan Documents, from time to time, shall be secured by this Mortgage and the occurrence of any event of default under any of the Loan Documents not cured by the times permitted therein, if any, shall constitute a default under this Mortgage entitling Mortgagee to all of the rights and remedies conferred upon Mortgagee by the terms of this Mortgage, the Loan Documents and by law, including but not limited to the right to declare the whole of the indebtedness secured hereby, together with accrued interest thereon, immediately due and payable. In the event of any conflict between the terms of this Mortgage and the terms of any of the Loan Documents (including, but not limited to, provisions relating to notice or waiver thereof), at the option of Mortgagee, those of the Loan Documents shall govern and prevail over those of this Mortgage.

2. This Mortgage shall operate as a security agreement and financing statement under the provisions of the Illinois Uniform Commercial Code with respect to the Equipment and such of the

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Premises as are or may become fixtures and with Mortgagor as Debtor and Mortgagee as Secured Party. This Mortgage shall be filed in the real estate records of Cook County, Illinois and such other places as may be required to perfect the interests herein granted. The record owner of the Real Estate described in Exhibit A is the Mortgagor.

3. This Mortgage secures the Notes pro rata and without priority of one over the other, and any renewal, modification or extension of either Notes, the payment of any and all indebtedness and monies, including interest, owed to Mortgagee under the Notes, this Mortgage and the Loan Documents, whether presently existing or incurred subsequent hereto, and the performance, payment and observance by Mortgagor of each agreement, term, provision and condition contained herein or in the Loan Documents, or other security instrument relating to the loans evidenced by the Notes. This Mortgage is granted and is intended to secure all such indebtedness and obligations hereunder and under the Loan Documents.

4. Mortgagor will pay due all indebtedness secured by this Mortgage at the times and in the manner provided herein and in the Loan Documents provided however that, so long as Mortgagor is not in default under the Notes or hereunder, the principal of the Notes may be prepaid in whole at any time or in part from time to time as provided in the Notes.

5. Mortgagor is the absolute and legal owner of the Premises subject only to the covenants, restrictions and easements of record and leases specified in the Loan Agreement of Mortgagor hereinabove referred to (hereinafter collectively referred to as "Permitted Encumbrances") and Mortgagor has the right to mortgage and to assign and grant the interests herein granted. None of the rights or property hereby mortgaged, assigned or granted are subject to any prior mortgage, assignment, or other encumbrance other than Permitted Encumbrances; in the case of property and improvements to be acquired in the future, Mortgagor covenants that, when so acquired, such property will not be subject to any mortgage, assignment or other encumbrance except Mortgagee's rights hereunder and encumbrances as to which the prior written approval of Mortgagee has been obtained. Mortgagor does and will warrant and forever defend the right, title and interest in the Premises herein granted against all persons claiming by, through or under Mortgagor.

6. The Equipment was or will be acquired for use in connection with the Real Estate, will be kept on the Real Estate and except as otherwise provided in the Loan Documents, Mortgagor will not sell, lease, encumber, remove or otherwise dispose of such property without the prior written consent of Mortgagee and any net cash proceeds received from any permitted disposition, shall be paid to Mortgagee to be applied to the indebtedness payable pursuant to the Notes in such order and manner as Mortgagee may elect. Except for such financing statements, if any, as are Permitted Encumbrances, no financing statement covering all or any portion of the Equipment is on file in any public office and Mortgagor authorizes Mortgagee at the expense of Mortgagor to execute and file in its behalf any financing statement or statements or continuations or amendments thereof in those public offices deemed necessary by Mortgagee to protect its security interest in the Equipment. Mortgagor will at all times keep the Equipment free from any adverse lien, security interest or encumbrance other than Permitted Encumbrances and the security interest herein granted; and Mortgagor shall furnish to Mortgagee at the request of Mortgagee from time to time a certificate executed and sworn to by a duly authorized officer of Mortgagor setting forth (i) that no Equipment has been removed from the Premises except in connection with a sale or other disposition permitted by this Mortgage, (ii) a list in reasonable detail of any Equipment which has been sold or disposed of or placed in or

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upon the Premises during the preceding twelve month period, (iii) the cost of all personal property substituted for Equipment sold or disposed of and that the same is of the same or similar character and of utility and value at least equal to the Equipment sold or disposed of, and (iv) that title to any personal property acquired, whether in substitution or replacement for Equipment sold or disposed of or in addition to existing Equipment, is vested in Mortgagor free of title retention agreements and of all security interests except this Mortgage and Permitted Encumbrances.

7. All right, title and interest of Mortgagor in and to all present and future leases and tenancies of the Premises or any part thereof and all rents and other revenues, rights and benefits accruing to Mortgagor thereunder are assigned herewith, together with the right to receive the same and apply them to the Notes or other indebtedness secured hereby. The interest of Mortgagee, by virtue of the foregoing assignment, shall be deemed to be vested and choate as of the date hereof provided that, so long as no default has occurred hereunder, Mortgagor shall be permitted to collect rents but may not discount rents or collect rents more than 30 days in advance of when due. Upon the occurrence of a default hereunder, Mortgagee is authorized at its option to execute and deliver to any lessee or tenant binding receipts for any payments made under the terms of any lease or tenancy and to demand, sue for and recover any such payments when due, to cancel or terminate any such lease or tenancy, and to lease the Premises on such terms as Mortgagee deems appropriate, and to apply all rents and payments received therefrom to the costs and expense of operating the Premises, including but not limited to expenses of reletting, management fees, leasing commissions and reasonable compensation to Mortgagee. Mortgagor shall perform every obligation of the lessor and shall enforce every obligation of the lessee with respect to every such lease and tenancy. Except with the prior written consent of Mortgagee, Mortgagor shall not enter into or permit any lease, sublease or tenancy or any assignment thereof by lessor or lessee and shall not amend, terminate, cancel, accept surrender of or otherwise modify any permitted lease or tenancy; provided however that this assignment shall terminate and become null and void upon release of this Mortgage and satisfaction of the indebtedness secured hereby.

8. Until occurrence of a default hereunder, Mortgagor shall be entitled to possession of the Premises, and to operate the same, and to receive the rents, issues, and profits therefrom. After the occurrence of a default, Mortgagee shall be entitled to exercise all the rights and have all the remedies provided by the Loan Documents, any agreement between the parties, this Mortgage, or by law.

9. Mortgagor shall pay or cause to be paid to the proper officers when due and before any penalty attaches all taxes and general or special assessments and other charges (including, without limitation, utility charges) that shall be levied, assessed or incurred with respect to the Premises or may become a lien on the Premises, (which payment may be made under protest in the event contest thereof is permitted under the Loan Documents) and shall provide proper receipts evidencing such payments to Mortgagee upon request; shall keep the Premises in good condition and repair without waste, and promptly replace, repair or restore any improvements or Equipment that may be damaged or destroyed; shall not permit the Premises to be used in violation of any federal, state, municipal, or other law, statute, or ordinance or initiate, shall not join in or consent to any change in the permitted uses of the Premises existing as of the date hereof; shall exhibit the Premises during normal business hours to Mortgagee on demand; shall keep the Premises free from mechanic's liens or claims; shall not demolish or make any material alterations, additions or improvements to the Premises except as

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required by law, unless the prior written consent of Mortgagee is first obtained; without the prior written consent of Mortgagee, shall not enter into, grant, or agree to any easements, restrictive covenants, access agreements, licenses, or any service or operating contracts respecting the Premises unless terminable without penalty on not more than 30 days' notice; and shall perform according to their terms every agreement of any kind between Mortgagor and Mortgagee which shall be in force during the term of this Mortgage.

10. Mortgagor shall purchase and keep in full force and effect the policies of insurance insuring the Premises as provided in the Loan Documents and, in the event of fire or other destruction or condemnation or taking by exercise of the power of eminent domain of any of the Premises, all insurance proceeds and condemnation or eminent domain awards at the option of Mortgagee shall be paid and applied to the repair or restoration of the Premises or to the indebtedness secured hereby.

11. In the event Mortgagor fails to make any payment or do any act required herein, Mortgagee, without obligation to do so, and without any notice to, or demand on Mortgagor, and without releasing Mortgagor from any obligation hereunder, may make such payment or do such act in the manner and to the extent Mortgagee deems necessary to protect its security including but not limited to discharging, compromising or settling any lien or other claim or redeeming from any tax sale or forfeiture affecting the Premises. The making of any such payment or the doing of any such act shall be prima facie evidence of the necessity therefor and Mortgagor will indemnify, defend and hold Mortgagee harmless from any claim or threat thereof by any third party respecting such act or payment except to the extent of liability or loss arising out of such claim which is the result of the negligence of Mortgagee.

12. Should Mortgagee make any payment or advance or incur any cost or expense, including but not limited to costs of suit and attorneys' fees, hereunder or under the Loan Documents, to cure any default hereunder or under the Loan Documents, or to protect its security or should there accrue or become due any collection costs or other debts of any kind arising under this Mortgage, or the Loan Documents, such advances, payments, costs and expenses shall be due and payable when made or incurred by Mortgagee and shall bear interest from such date at the Default Rate specified in the Notes in accordance with the provisions of the Notes respecting any such rate. All such advances, payments, costs and expenses constitute additional indebtedness secured by this Mortgage and Mortgagor agrees to pay the same to Mortgagee upon demand. Notwithstanding any provisions of the Notes to the contrary, Mortgagee shall have the right upon receipt of any installment of interest or principal due under the Notes or upon receipt of any other funds from or on behalf of Mortgagor to apply the same first, in satisfaction of any collection costs or other advance or expenditure incurred by Mortgagee that has not been paid as of the date of receipt of funds by Mortgagee, together with interest thereon; second, to the satisfaction of any accrued and unpaid interest; and third, in payment of principal. In the event of a deficiency in the amount of any installment or payment after the payment of such costs, such deficiency shall be due and payable immediately and, upon failure to pay such deficiency, Mortgagee may, at its option, and without notice, declare the whole of the indebtedness secured hereby immediately due and payable, and may otherwise exercise all rights reserved to Mortgagee under this Mortgage and those provided by law.

13. Mortgagee shall be subrogated to the rights of any person having a prior lien or encumbrance on the Premises to the extent such lien or encumbrance is paid out of the proceeds of the loans evidenced by the Notes or any advances by the Mortgagee hereunder

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or under the Loan Documents and even though such lien or encumbrance is released of record.

14. Without affecting the obligation of Mortgagor to pay and perform as herein required and without affecting the personal liability of any persons for payment of the indebtedness secured hereby including without limitation any guarantor, and without affecting the lien hereof or its priority, Mortgagee may, at its option, extend the time for payment of the indebtedness secured hereby or any part thereof, reduce the payments thereon, release any person liable on any of such indebtedness, accept a renewal note or notes therefor, modify the terms of such indebtedness, release from this Mortgage any of the Premises, take or release other or additional security, reconvey any part of the Premises, consent to any map or plat thereof, grant any easement, or join in any extension or subordination agreement relating in any way or manner to the Premises. Any such action by Mortgagee may be taken without the consent of any junior lienholder and shall not affect the priority of this Mortgage over any junior lien.

15. Mortgagee and its agents shall have the right and license to go in and upon the Premises at any time and to inspect the Premises and to protect and care for the Premises and enforce any right of Mortgagee hereunder.

16. The taking or acceptance of this Mortgage by Mortgagee shall, in no event, be considered as a waiver of, or in any wise affecting or impairing any other security which Mortgagee may have, or acquire simultaneously herewith, or hereafter acquire for the payment of the indebtedness secured hereby, nor shall the taking at any time by Mortgagee of any such additional security be construed as a waiver of, or in any wise affecting or impairing, the security of this Mortgage; and Mortgagee may resort, for the payment of the indebtedness secured hereby, to its several securities therefor in such order and manner as it may think fit. To this end, Mortgagee may treat all security as one entity and foreclose the same under this Mortgage.

17. Mortgagor upon request, made either personally or by mail, shall certify, by a writing duly acknowledged, to Mortgagee or to any proposed assignee of this Mortgage, the amount of principal and interest then owing on this Mortgage and whether any offsets or defenses exist against the indebtedness secured hereby, within 5 days in case the request is made personally, or within 10 days after the mailing of such request in case the request is made by mail.

18. In case of any sale under this Mortgage, by virtue of judicial proceedings or otherwise, the Premises may be sold in one parcel and as an entirety or in such parcels, manner or order as Mortgagee in its sole discretion may elect.

19. In the event of the passage after the date of this Mortgage of any law of the State of Illinois deducting from the value of real property for the purposes of taxation any lien thereon or changing in any way the taxation of mortgages or debts secured by mortgage for state or local purposes or the manner of the collection of any such taxes and imposing a tax, either directly or indirectly, on this Mortgage or the indebtedness secured hereby or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, Mortgagee shall have the right to declare the whole of the principal sum and accrued interest due on a date to be specified by not less than 30 days' written notice to be given to Mortgagor by Mortgagee, provided, however, that such election shall be ineffective if Mortgagor is permitted by law to pay the whole of such tax in addition to all other payments required hereunder and if, prior to such specified date,

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does pay such tax or agrees to pay any such tax when due and such agreement, if made, shall constitute a modification of this Mortgage.

20. Any payment made in accordance with the terms of this Mortgage by any person at any time liable for the payment of the whole or any part of the indebtedness now or hereafter secured by this Mortgage, or by any subsequent owner of the Premises, or by any other person whose interest in the Premises might be prejudiced in the event of a failure to make such payment, or by any stockholder, officer or director of a corporation which at any time may be liable for such payment or may own or have such an interest in the Premises, shall be deemed, as between Mortgagee and all persons who at any time may be liable as aforesaid or may own the Premises to have been made on behalf of all such persons.

21. The occurrence of any one or more of the following events shall constitute a default hereunder: failure to pay when due or payable any payment of principal or interest required to be paid under the Notes or any advances, payments, costs, expenses, collection costs or debts that may become due as provided herein; or a default or failure of Mortgagor, to observe or perform any other conditions or covenants contained herein and such default or failure, if curable, is not cured within thirty (30) days after its occurrence; or should it appear that the Premises are about to be or have been attached or executed on or levied upon for any debt, obligation, fine, assessment or tax; or the occurrence of a default or an event constituting a default under the terms of any of the Loan Documents. Upon any such event or default, and the expiration of such period, if any, as may be granted herein or under the Loan Documents to cure such default, or in the case of certain other events specified in the Loan Documents, the whole of the indebtedness secured hereby shall, at the option of Mortgagee and without notice, become immediately due and payable. Upon any such default and notwithstanding whether such right of acceleration is exercised, Mortgagee may exercise any of the remedies provided for herein or in the Loan Documents or available by law and may take possession of the Premises; and may, if it so elects, remove any mortgaged personal property or hold the same, or manage the business of Mortgagor, as Mortgagee in possession, and collect and apply any profits or rents accruing from such operation.

22. Upon the occurrence of a default hereunder, Mortgagee may exercise from time to time and shall have the rights granted hereby and any rights and remedies therefor at law and equity, and, as to the Equipment, the rights and remedies of a secured party under the Illinois Uniform Commercial Code. In the event of a default hereunder, Mortgagor shall, upon request of Mortgagee, assemble the Equipment and make it available to Mortgagee at a place reasonably convenient to both parties designated by Mortgagee. Mortgagor expressly agrees that sales of the Equipment for cash or on credit to a wholesaler, retailer, or user of property of the type subject to this agreement or at a public or private auction are all commercially reasonable. Unless the Equipment is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Mortgagee shall give Mortgagor notice of the time and place of any public sale of any of the Equipment or of the time after which any private sale or any other intended disposition thereof is to be made by sending notice, first-class postage prepaid and addressed to Mortgagor at the latest address of Mortgagor appearing on the records of Mortgagee, at least five days before the time of the sale or other disposition, which provisions for notice Mortgagor and Mortgagee agree are reasonable. The presence of the Equipment at any sale hereunder is waived by Mortgagor.

23. Upon or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises. Such appointment may be

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made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not, and Mortgagee may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and shall have all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during all such periods. The court from time to time may authorize the receiver to apply net income to payment in whole or in part of the indebtedness secured hereby, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, and to payment of the deficiency in case of a sale and deficiency.

24. When the indebtedness secured hereby shall become due whether by acceleration or otherwise, Mortgagee shall have, in addition to all other rights granted herein or by law, the right to foreclose the lien hereof and, to the extent permitted by applicable law, the power to sell the Premises and all estate, right, title, interest, claim and demand of Mortgagor therein and all rights of redemption thereof, at one or more sales, in an entirety or in parcels, with such elements of real and/or personal property (and, to the extent permitted by applicable law, may elect to deem all of the Premises to be real property for purposes thereof), and at such time and place and upon such terms as Mortgagee may deem expedient, or as may be required by applicable law, and in the event of a sale, by foreclosure or otherwise, of less than all of the Premises, this Mortgage shall continue as a lien and security interest on the remaining portion of the Premises. Any such power of sale shall not be exhausted by any one or more such sales as to any part of the Premises which shall not have been sold, nor by any sale which is not completed or is defective in Mortgagee's opinion, until the Notes shall have been paid in full, and any sale may be postponed or adjourned by public announcement at the time and place appointed for such sale or for such postponed or adjourned sale without further notice. In any sale under the power of sale herein granted or in any suit for foreclosure or in any suit or action to collect the indebtedness secured hereby, there shall be allowed and included as additional indebtedness in the judgment that may be recovered or, as costs of sale, or in any decree for sale, all costs of suit, collection and sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches, and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had the true condition of the title to or the value of the Premises, and Mortgagee may purchase all or any of the Premises at any sale by credit bid, if it so elects. All expenditures and expenses of the kind described in this paragraph shall also become so much additional indebtedness secured hereby and shall become immediately due and payable, with interest thereon at the Default Rate specified in the Notes in accordance with the provisions of the Notes respecting any such rate, when paid or incurred by Mortgagee, whether in connection with: any proceeding, including without limitation probate and bankruptcy proceedings, to which the Mortgagee shall be a party, either as plaintiff, claimant or

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defendant, by reason of this Mortgage, the Loan Documents or any indebtedness hereby secured; or preparations for the commencement of any suit to collect or for the foreclosure hereof after accrual of such right to sue or foreclose whether or not actually commenced; or preparations for the defense of any actual or threatened suit or proceeding which might affect the Premises or the security hereof.

25. In the event of foreclosure of this Mortgage or any sale in lieu thereof, the proceeds of any foreclosure or sale shall be applied first to costs and expenses; then to those amounts secured hereunder that are not evidenced by the Notes, and the balance to the amount remaining due and unpaid under the Notes in such order and such manner as Mortgagee may elect. Any balance remaining after payment in full of the Notes and all amounts secured by this Mortgage shall be paid to Mortgagor. If there remains an unpaid balance under the Notes or hereunder after application of the proceeds of a sale, Mortgagor shall be liable for and shall immediately pay the deficiency to Mortgagee.

26. In case Mortgagee shall have proceeded to enforce any right under this Mortgage by the appointment of a receiver or otherwise, and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case Mortgagee shall be restored to its former positions and rights hereunder and all rights, remedies and powers of Mortgagee shall continue unimpaired as before.

27. No delay or omission by Mortgagee in exercising any remedy or right herein shall impair such right or remedy, or be construed to be a waiver thereof or acquiescence in the default or the event giving rise to such right or remedy, nor affect any subsequent default or event of the same or different nature; and no waiver by Mortgagee of any breach or default by Mortgagor, whether under the provisions of the Loan Documents or this Mortgage, shall be deemed a waiver of any breach or default thereafter occurring. The exercise of any right or remedy by Mortgagee shall not exclude the right of Mortgagee to exercise any other right or remedy granted by law or in this Mortgage or the Loan Documents; all such rights and remedies are to be deemed cumulative.

28. Mortgagor at its expense will execute, acknowledge and deliver all such instruments, documents, assignments, security agreements and other agreements and writings and take all such action as Mortgagee from time to time may reasonably request for assuring to the Mortgagee the premises, properties, rights and interests now or hereafter subjected, or intended to be subjected, to the lien hereof and in order to secure, perfect, protect or enforce Mortgagee's rights under this Mortgage.

29. By accepting this Mortgage, Mortgagee does not assume nor become liable for any of Mortgagor's obligations with respect to any of the property and rights assigned or mortgaged hereby.

30. All notices and statements that either party may be required or may desire to serve upon the other shall be in writing and shall be deemed to have been given or made when delivered personally, or deposited in the U.S. Mail, postage prepaid, by registered or certified mail, addressed to the party at the address hereinabove set forth, or at such other address as either party may from time to time designate in writing to the other.

31. All rights and obligations hereunder shall extend to and be binding upon the several successors and assigns of the parties to this Mortgage. When applicable, use of the singular form of any word also shall mean or apply to the plural and masculine form shall mean and apply to the feminine or the neuter.

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32. This Mortgage shall for all purposes be governed by and construed in accordance with the laws of the State of Illinois, and unless the context otherwise requires, all terms used herein which are defined in Articles 1 through 9 of the Uniform Commercial Code, as in effect in Illinois, shall have the meanings therein stated.

33. In case any one or more of the provisions contained in this Mortgage or in the Loan Documents shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained therein shall not in any way be affected or impaired thereby. This Mortgage cannot be changed except by an agreement in writing signed by the party against whom enforcement of the change is sought.

34. Upon the occurrence of any of the events specified in Section 6.2 of the Loan Agreement of even date herewith between Mortgagor and Mortgagee or if all or any part of the Premises or an interest therein is sold, assigned, encumbered or otherwise transferred, whether voluntarily or as a result of a foreclosure or other involuntary transfer or transfer by operation of law, without prior written consent of Mortgagee, or in the event of a condemnation or taking under the power of eminent domain of all or any substantial part of the Premises, Mortgagee may, at its option, declare the whole of the indebtedness secured by this Mortgage immediately due and payable.

35. Mortgagee shall release this Mortgage and lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment of a reasonable fee to Mortgagee for the execution of such release.

36. To the extent permitted by law, Mortgagor waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage or otherwise for itself and each and every person, acquiring any interest in or title to the Premises subsequent to the date of this Mortgage.

37. If requested by Mortgagee, Mortgagor will pay to Mortgagee, on the last day of each calendar month, commencing on the first such date following such request, an amount equal to ~~_____ of~~ ^{JWC} 1/12th of the last ascertainable annual general real estate taxes on the Real Estate, such sums to be held by Mortgagee, and to be applied to the payment of general real estate taxes on the Real Estate when and as such taxes become due and payable and, if the amount on deposit at any time is insufficient to pay such taxes for any period, Mortgagor will pay to Mortgagee upon request such additional amount as may be required to pay such taxes when due. All such deposits shall constitute additional security for the indebtedness secured by this Mortgage and in the event of any default hereunder or under the Loan Documents, all or any part thereof may be applied at the option of Mortgagee to pay such indebtedness.

38. This Mortgage secures all advances under the Line of Credit Note made subsequent to the date of this Mortgage and within twenty years from the date of this Mortgage to the same extent and with the same priorities as if such advances were made on the date of execution of this Mortgage. The total unpaid principal balance of the Line of Credit Note so secured by this Mortgage at any one time shall not exceed \$200,000 plus interest thereon. Mortgagee, by its acceptance of this Mortgage, agrees to pay all expenses, including recording fees and otherwise to release this Mortgage of record as to the Line of Credit Note whenever this Mortgage no longer secures any credit under the Line of Credit Note.

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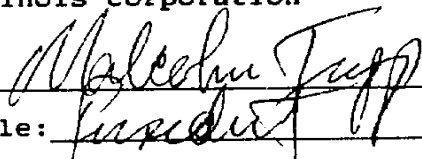
IN WITNESS WHEREOF, Mortgagor has executed and caused this Mortgage to be duly executed and attested by duly authorized officers as of the day and year first above written.

SWABY MANUFACTURING COMPANY, an Illinois corporation

ATTEST:



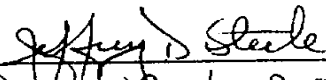
By: 

Title: 

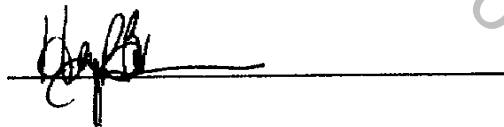
ACCEPTED:

BOULEVARD BANK NATIONAL ASSOCIATION

By: 

Title:  - Vice President

ATTEST:



Mail to and
This document prepared by:

Joan W. Connor, P.C.
Ross and Hardies
150 North Michigan Avenue
Chicago, Illinois 60601

BOX 333 HV

87311283

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2 7 3 1 1 2 3 3

STATE OF ILLINOIS)
COUNTY OF C O O K)

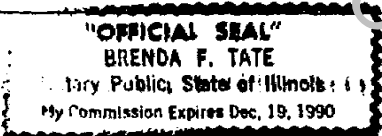
I, Brenda F. Tate, a Notary Public in and for said County in the State aforesaid, do hereby certify that Jeffrey D. Steele and Henry

R. [unclear] who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as, respectively, Assistant Vice President and [unclear] of BOULEVARD BANK NATIONAL ASSOCIATION, and to me personally known to be such officers, appeared before me this day in person and severally acknowledged that as such officers and [unclear] of said banking association they signed and delivered the said instrument pursuant to authority given by its Board of Directors as their free and voluntary act and as the free and voluntary act and deed of said banking association, for the uses and purposes therein set forth. * Commercial Banking Representative

GIVEN under my hand and notarial seal this 8th day of June, 1987.

Brenda F. Tate
Notary Public

My commission expires:



STATE OF ILLINOIS)
COUNTY OF C O O K)

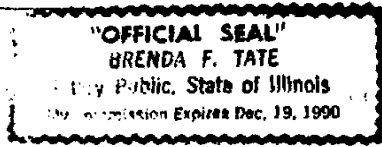
I, Brenda F. Tate, a Notary Public in and for said County in the State aforesaid, do hereby certify that Malcolm Supp and Robert F. Blake

who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as, respectively, [unclear] President and [unclear] Secretary of Swaby Manufacturing Company, an Illinois corporation, and to me personally known to be such officers, appeared before me this day in person and severally acknowledged that as such officers [unclear] President and [unclear] Secretary of said corporation they signed and delivered the said instrument 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.

GIVEN under my hand and notarial seal this 8th day of June, 1987.

Brenda F. Tate
Notary Public

My commission expires:



87311283

EXHIBIT A

THIS EXHIBIT A is attached to and made a part of that certain Mortgage, Assignment, Security Agreement and Financing Statement dated as of JUNE 8, 1987 by and between SWABY MANUFACTURING COMPANY, as Mortgagor, and BOULEVARD BANK NATIONAL ASSOCIATION, as Mortgagee. JWC

PARCEL 1:

THAT PART OF LOTS 2 AND 4 IN KEENEY INDUSTRIAL DISTRICT (AN OWNERS DIVISION IN THE SOUTH EAST 1/4 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN) DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON A LINE DRAWN PARALLEL WITH AND 932.24 FEET EAST OF THE WEST LINE OF LOTS 3 AND 4 IN SAID KEENEY INDUSTRIAL DISTRICT SAID POINT BEING 308.28 FEET NORTH OF SOUTH LINE OF SAID LOT 2; THENCE WEST ON A LINE DRAWN PARALLEL WITH THE SOUTH LINE OF SAID LOTS 2 AND 4 A DISTANCE OF 401.56 FEET TO ITS INTERSECTION WITH NORTHERLY RIGHT OF WAY LINE OF LAND CONVEYED TO CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY BY DEED DATED OCTOBER 4, 1932 AND RECORDED NOVEMBER 9, 1932 AS DOCUMENT 11162537; THENCE SOUTHEASTERLY ALONG SAID RIGHT OF WAY LINE BEING A CURVED LINE CONVEXED SOUTHWESTERLY AND HAVING A RADIUS OF 455.10 FEET A DISTANCE OF 323.17 FEET (ARC); THENCE EAST ALONG SAID RIGHT OF WAY LINE BEING A STRAIGHT LINE A DISTANCE OF 69.63 FEET; THENCE CONTINUING EAST ALONG SAID RIGHT OF WAY LINE BEING A CURVED LINE CONVEXED TO THE NORTH AND HAVING A RADIUS OF 487.34 FEET A DISTANCE OF 36.26 FEET (ARC) TO ITS INTERSECTION WITH SAID LINE DRAWN PARALLEL WITH AND 932.24 FEET EAST OF THE WEST LINE OF SAID LOTS 3 AND 4; THENCE NORTH ALONG SAID PARALLEL LINE A DISTANCE OF 111.35 FEET TO THE PLACE OF BEGINNING

PARCEL 2:

A STRIP OF LAND LYING NORTHEASTERLY OF AND ADJOINING THE NORTHEASTERLY RIGHT OF WAY LINE OF LAND CONVEYED TO THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY BY DEED DATED OCTOBER 4, 1932 AND RECORDED IN THE RECORDERS OFFICE OF COOK COUNTY, ILLINOIS ON NOVEMBER 9, 1932 AS DOCUMENT 11162537 SAID STRIP OF LAND BEING THAT PART OF LOTS 2 AND 3 IN KEENEY INDUSTRIAL DISTRICT (AN OWNERS DIVISION IN THE SOUTH EAST 1/4 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN) DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF SAID NORTHEASTERLY RIGHT OF WAY LINE OF SAID RAILROAD WITH A LINE DRAWN PARALLEL AND 308.28 FEET NORTH OF SOUTH LINE OF LOTS 2 AND 4 IN SAID KEENEY INDUSTRIAL DISTRICT; THENCE EAST ALONG SAID PARALLEL LINE A DISTANCE OF 28.43 FEET; THENCE NORTHWESTERLY ON A CURVED LINE CONVEXED SOUTHWESTERLY CONCENTRIC WITH SAID RIGHT OF WAY LINE AND HAVING A RADIUS OF 437.10 FEET A DISTANCE OF 114.28 FEET (ARC); THENCE NORTHWESTERLY ON A STRAIGHT LINE TANGENT TO SAID CURVED LINE A DISTANCE OF 143.57 FEET TO ITS INTERSECTION WITH A LINE DRAWN PARALLEL WITH AND 503.78 FEET NORTH OF SOUTH LINE OF LOT 4 IN SAID KEENEY INDUSTRIAL DISTRICT; THENCE WEST ALONG SAID PARALLEL LINE A DISTANCE OF 1.85 FEET TO ITS INTERSECTION WITH THE NORTHEASTERLY RIGHT OF WAY LINE AFORESAID; THENCE SOUTHEASTERLY ALONG SAID RIGHT OF WAY LINE BEING A CURVED LINE CONVEXED NORTHEASTERLY AND HAVING A RADIUS OF 450.68 FEET A DISTANCE OF 43.11 FEET (ARC); THENCE CONTINUING SOUTHEASTERLY ALONG SAID RIGHT OF WAY LINE, BEING A STRAIGHT LINE, A DISTANCE OF 22.41 FEET; THENCE CONTINUING SOUTHEASTERLY ALONG SAID RIGHT OF WAY LINE BEING A CURVED LINE CONVEXED SOUTHWESTERLY AND HAVING A RADIUS OF 455.10 FEET A DISTANCE OF 176.84 FEET (ARC) TO THE PLACE OF BEGINNING, EXCEPTING FROM SAID PARCEL 2 A TRACT OF LAND DESCRIBED AS FOLLOWS:
(A STRIP OF LAND LYING NORTHEASTERLY OF AND ADJOINING THE NORTHEASTERLY RIGHT OF WAY LINE OF THE LAND CONVEYED TO THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY BY DEED DATED OCTOBER 4, 1932 AND RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS, ON NOVEMBER 9, 1932 AS DOCUMENT 11162537, SAID STRIP OF LAND BEING PART OF LOTS 2 AND 3 IN "KEENEY INDUSTRIAL DISTRICT" (AN OWNER'S DIVISION IN THE SOUTH EAST 1/4 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD

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PRINCIPAL MERIDIAN), DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF SAID NORTHEASTERLY RIGHT OF WAY LINE OF SAID RAILROAD WITH A LINE DRAWN PARALLEL WITH AND 308.28 FEET NORTH OF THE SOUTH LINE OF LOTS 2 AND 4 IN SAID KEENEY INDUSTRIAL DISTRICT; THENCE EAST ALONG SAID PARALLEL LINE A DISTANCE OF 28.43 FEET; THENCE NORTHWESTERLY ON A CURVED LINE CONVEX SOUTHWESTERLY, CONCENTRIC WITH SAID RIGHT OF WAY LINE AND HAVING A RADIUS OF 437.1 FEET TO A POINT 348.28 FEET NORTH OF THE SOUTH LINE OF LOTS 2 AND 4 IN KEENEY INDUSTRIAL DISTRICT, SAID POINT BEING THE POINT OF BEGINNING; THENCE NORTHWESTERLY ON SAID CURVED LINE A DISTANCE OF 54.21 FEET; THENCE NORTHWESTERLY ON A STRAIGHT LINE, TANGENT TO SAID CURVED LINE A DISTANCE OF 143.57 FEET TO ITS INTERSECTION WITH A LINE DRAWN PARALLEL WITH AND 503.78 FEET NORTH OF THE SOUTH LINE OF LOT 4, IN SAID KEENEY INDUSTRIAL DISTRICT; THENCE WEST ALONG SAID PARALLEL LINE A DISTANCE OF 1.65 FEET TO ITS INTERSECTION WITH THE NORTHEASTERLY RIGHT OF WAY LINE AFORESAID; THENCE SOUTHEASTERLY ALONG SAID RIGHT OF WAY LINE, BEING A CURVED LINE CONVEX NORTHEASTERLY AND HAVING A RADIUS OF 450.68 FEET, A DISTANCE OF 43.11 FEET (ARC); THENCE CONTINUING SOUTHEASTERLY ALONG SAID RIGHT OF WAY LINE, BEING A STRAIGHT LINE, A DISTANCE OF 22.41 FEET; THENCE CONTINUING SOUTHEASTERLY ALONG SAID RIGHT OF WAY LINE, BEING A CURVED LINE CONVEX SOUTHEASTERLY AND HAVING A RADIUS OF 455.1 FEET TO A POINT 348.28 FEET NORTH OF THE SOUTH LINE OF LOTS 2 AND 4 IN KEENEY INDUSTRIAL DISTRICT; THENCE EAST A DISTANCE OF 18 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS)

PARCEL 3:

AN EASEMENT FOR THE BENEFIT OF PARCELS 1, 2 AND 4 ON AND OVER THE PRIVATE STREET 50 FEET IN WIDTH WHICH SAID PRIVATE STREET EXTENDS OVER PREMISES DESCRIBED AS A STRIP OF LAND 50 FEET WIDE IN SAID LOT 2 OF KEENEY INDUSTRIAL DISTRICT, THE CENTER LINE OF SAID 50 FOOT STRIP COMMENCING AT A POINT IN A LINE 932.24 FEET EAST OF AND PARALLEL TO THE WEST LINE OF SAID LOTS 3 AND 4 IN SAID KEENEY INDUSTRIAL DISTRICT WHICH SAID POINT IS 491.78 FEET NORTH OF THE SOUTH LINE OF SAID LOT 2 AND RUNNING THENCE SOUTH ALONG SAID PARALLEL LINE 491.78 FEET MORE OR LESS TO THE SOUTH LINE OF SAID LOT 2 (EXCEPTING THEREFROM THAT PART FALLING IN PARCELS 1 AND 4 AFORESAID)

PARCEL 4:

THAT PART OF LOTS 2 AND 3 IN KEENEY INDUSTRIAL DISTRICT BEING AN OWNERS DIVISION IN THE SOUTH EAST 1/4 OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON A LINE DRAWN PARALLEL WITH AND 932.24 FEET EAST OF THE WEST LINE OF LOTS 3 AND 4 IN SAID KEENEY INDUSTRIAL DISTRICT, SAID POINT BEING 348.28 FEET NORTH OF THE SOUTH LINE OF SAID LOT 2; THENCE SOUTH ALONG SAID PARALLEL LINE A DISTANCE OF 40 FEET, THENCE WEST ON A LINE DRAWN PARALLEL WITH THE SOUTH LINE OF SAID LOTS 2 AND 4, A DISTANCE OF 373.13 FEET TO ITS INTERSECTION WITH A LINE DRAWN PARALLEL WITH AND 18 FEET DISTANT FROM THE NORTHERLY RIGHT OF WAY LINE OF THE LAND CONVEYED TO THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY BY DEED DATED OCTOBER 4, 1932 AND RECORDED NOVEMBER 9, 1932 AS DOCUMENT 11162537; THENCE NORTHWESTERLY ALONG LAST DESCRIBED PARALLEL LINE, BEING A CURVED LINE, CONVEX SOUTHWESTERLY AND HAVING A RADIUS OF 437.10 FEET, A DISTANCE OF 60.07 FEET (ARC) TO ITS INTERSECTION WITH A LINE DRAWN PARALLEL WITH AND 348.28 FEET NORTH OF THE SOUTH LINE OF SAID LOTS 2 AND 4; THENCE EAST ALONG SAID PARALLEL LINE A DISTANCE OF 417.52 FEET TO POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

Address of Property:

1820 North Major Street
Chicago, Illinois 60639

Permanent Index Numbers:

HCO
13-32-400-011
13-32-400-028
Jm

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