

UNOFFICIAL COPY

Mortgage to: Affiliated Bank/North Shore Nat'l, 1737 W. Howard St., Chicago, IL 60626 or BOX 420. See Exhibit 2

THIS DOCUMENT CONSTITUTES A SECURITY AGREEMENT FOR PURPOSES OF ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE. 88123837

MORTGAGE, ASSIGNMENT OF LEASES & SECURITY AGREEMENT

THIS MORTGAGE, (the "Mortgage") is made as of March 22, 1988 by and between Affiliated Bank/North Shore National under Trust No. 957, dated 1-1-88 (the "Mortgagee"), and if there is more than one Mortgagor, Mortgagors shall be collectively referred to as "Mortgagor" whose mailing address is 1737 W. Howard St., Chicago, IL 60626 and Affiliated Bank/North Shore National (the "Mortgagee"), whose office is located at: 1737 W. Howard St., Chicago, IL 60626

WITNESS:

WHEREAS, Mortgagor is indebted to Mortgagee in the principal amount of \$609,000.00 together with interest thereon at the rates provided in that certain Mortgage Note ("Mortgage Note"), a copy of which is attached hereto as Exhibit "1" and made a part hereof.

WHEREAS, as a condition of making the loan evidenced by the aforesaid Mortgage Note, and all Mortgage Notes thereafter executed by Mortgagor evidencing future advances or loans and all renewals and refinancing of said Notes made pursuant to Paragraph 31, (Further Advances) hereof including but not limited to advances made by Mortgagee in accordance with the terms, covenants and provisions of this Mortgage and the performance of the terms, covenants and provisions here contained, Mortgagee has required that Mortgagor mortgage the "Premises" (as hereinafter defined) to the Mortgagee, and Mortgagor has executed, acknowledged, and delivered this Mortgage to secure, in addition to the indebtedness evidenced by the aforesaid Mortgage Note, any and all sums, indebtedness and liabilities of any and every kind now or hereafter owing to or to become due to Mortgagee from Mortgagor.

Mortgagor does, by these presents, grant, convey and mortgage unto Mortgagee, its successors and assigns forever, the Real Estate and all of their estates, rights, titles, and interests (free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which said rights and benefits the Mortgagor does hereby expressly release and waive, and free from all right to retain possession of said real estate after default in payment or breach of any of the covenants and agreements herein contained) legally described on Exhibit "2" attached hereto and made a part hereof (sometimes herein referred to as the "Real Estate"), which Real Estate, together with the following described property, is collectively referred to as the "Premises", together with:

A) All right, title, and interest of Mortgagor, including any after-acquired title or reversion, in and to the beds of the ways, streets, avenues, and alleys adjoining the Premises.

B) All and singular the tenements, hereditaments, easements, appurtenances, passages, liberties, and privileges thereof or in any way now or hereafter appertaining, including homestead and any other claim at law or in equity as well as any after-acquired title, franchise, or license, and the reversion and reversions and remainder and remainders thereof;

C) In accordance with the Collateral Assignment of Lease and Rents dated of even date herewith, all rents, issues, proceeds and profits accruing and to accrue from the Premises; and

D) All buildings and improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration, and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Premises immediately upon the delivery thereof to the Premises, and all fixtures, equipment, materials and other types of personal property (other than that belonging to tenants) used in the ownership and operation of the improvement situated thereon with parking and other related facilities, in possession of Mortgagor and now or hereafter located in, on, or upon, or installed in or affixed to, the Real Estate legally described herein, or any improvements or structures thereon, together with all accessories and parts now attached to or used in connection with any such equipment, materials and personal property or which may hereafter, at any time, be placed in or added thereto, and also any and all replacements and proceeds of any such equipment, materials, and personal property, together with the proceeds of any of the foregoing; it being mutually agreed, intended, and declared, that all the aforesaid property shall, so far as permitted by law, be deemed to form a part and parcel of the Real Estate and for the purpose of this Mortgage to be Real Estate, and covered by this Mortgage; and as to any of the property aforesaid which does not so form a part and parcel of the Real Estate or does not constitute a "fixture" (as such term is defined in the Uniform Commercial Code), this Mortgage is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to the Mortgagee as the Secured Party (as such term is defined in the Uniform Commercial Code).

TO HAVE AND TO HOLD, the same unto the Mortgagee and its successors and assigns forever, for the purposes and uses herein set forth.

Provided, however, that if the Mortgagor shall pay the principal and all interest as provided by the Mortgage Note, and shall pay all other sums herein provided for, or secured hereby, and shall well and truly keep and perform all of the covenants herein contained, then this Mortgage shall be released at the cost of the Mortgagor, otherwise to remain in full force and effect.

1. MORTGAGOR'S COVENANTS. To protect the security of this Mortgage, Mortgagor agrees and covenants with the Mortgagee that Mortgagor shall:

A. Payment of Principal and Interest. Pay promptly when due the principal and interest on the indebtedness evidenced by the Mortgage Note at the times and in the manner herein and in the Mortgage Note provided.

B. Taxes and Deposits Therefor.

(i) Pay immediately when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer charges, and other charges which may be levied against the Premises, and to furnish to Mortgagee upon request therefor, duplicate receipts therefor within thirty (30) days after payment thereof. Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any such taxes or assessments provided: (a) that such contest shall have the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of said Premises or any part thereof, or any interest therein, to satisfy the same; (b) that Mortgagor has notified Mortgagee in writing of the intention of the Mortgagor to contest the same, before any tax or assessment has been increased by any interest, penalties, or costs; and (c) that Mortgagor shall have deposited with Mortgagee at such place as Mortgagee may from time to time in writing appoint, a sum of money, bond, Letter of Credit or other security reasonably acceptable to Mortgagee which shall be sufficient in the reasonable judgment of the Mortgagee to pay in full such contested tax and assessment and all penalties and interest that might become due thereon, and shall keep said money on deposit or keep in effect said bond or Letter of Credit in an amount sufficient, in the reasonable judgment of the Mortgagee, to pay in full such contested tax and assessment; and all penalties and interest that might become due thereon, and shall keep on deposit an amount sufficient at all times, increasing such amount to cover additional penalties and interest whenever, in the reasonable judgment of the Mortgagee, such increase is advisable. In case the Mortgagor, after demand is made upon it by Mortgagee, shall fail to prosecute such contest with reasonable diligence, or shall fail to maintain sufficient funds on deposit as hereinabove provided, the Mortgagee may, at its option upon notice to Mortgagor, apply the monies and/or liquidate the securities deposited with Mortgagee, in payment of, or on account of, such taxes and assessments, or any portion thereof then unpaid, including the payment of all penalties and interest thereon. If the amount of the money and/or security so deposited shall be insufficient as aforesaid for the payment in full of such taxes and assessments, together with all penalties and interest thereon, the Mortgagor shall forthwith upon demand, either (a) deposit with the Mortgagee a sum which, when added to the funds then on deposit, shall be sufficient to make such payment in full, or (b) in case the Mortgagee shall have applied funds on deposit on account of such taxes and assessments, restore said deposit to an amount reasonably satisfactory to Mortgagee. Provided Mortgagor is not then in default hereunder, the Mortgagee shall, upon the final disposition of such contest and upon Mortgagor's delivery to Mortgagee of an official bill for such taxes, apply the money so deposited in full payment of such taxes and assessments or that part thereof then unpaid, together with all penalties and interest due thereon and return on demand the balance of said deposit, if any, to the Mortgagor.

(ii) Mortgagor shall deposit with the Mortgagee commencing on the date of disbursement of the proceeds of the loan secured hereby and on the first day of each month following the month in which said disbursement occurs, a sum equal to the amount of all real estate taxes and assessments (general and special) next due upon or for the Premises (the amount of such taxes next due to be based upon the Mortgagee's reasonable estimate as to the amount of taxes and assessments to be levied and assessed) reduced by the amount, if any, then on deposit with the Mortgagee, divided by the number of months to elapse before two months prior to the date when such taxes and assessments will become due and payable. Such deposits are to be held without any allowance of interest to Mortgagor and are to be used for the payment of taxes and assessments (general and special) on the Premises next due

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to Mortgagee of the amount of payment to be made... writing by Mortgagee and when furnished by Mortgagee...

Anything in this paragraph (iii) to the contrary notwithstanding... the funds so deposited are insufficient to pay any such taxes or assessments...

C. Insurance.

(i) Hazard. Keep the improvements now existing or hereafter erected on the Premises insured under a replacement cost form of insurance policy against loss or damage resulting from fire, windstorm, and other hazards as may be required by Mortgagee...

(ii) Liability and Business Interruption Insurance. Carry and maintain comprehensive public liability insurance and business interruption insurance as may be required from time to time by the Mortgagee in forms, amounts, and with...

(iii) Insurance Deposit. The Mortgagee will deposit with Mortgagee within ten (10) days after notice of demand by Mortgagee in addition to the monthly payments of interest or principal payable under the terms of the Mortgage Note secured hereby...

(iv) Mortgagee's Interest in and Use of Tax and Insurance Deposits: Security Interest. In the event of a default hereunder, the Mortgagee may, at its option but without being required to do so, apply any monies at the time of deposit pursuant to paragraphs 1 (B)(iii) and 1 (C)(iii) hereof or in the Mortgage Note, in such order and manner as...

(v) Mortgagee Consent Shall Be Required: Mortgagee shall not amend, modify, change, cancel or terminate any of the insurance policies required to be maintained by Mortgagee without the prior written consent of Mortgagee.

(vi) Preservation and Restoration of Premises and Compliance with Governmental Regulations. Mortgagee shall (a) promptly repair, restore, or rebuild any buildings and other improvements now or hereafter on the Premises which may become damaged or destroyed to substantially the same character as prior to such damage or destruction, without regard to the availability or adequacy of any casualty insurance proceeds or eminent domain awards; (b) keep the Premises in good condition and repair, without...

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(viii) Insurance Deposit. The Mortgagee will deposit with Mortgagee within ten (10) days after notice of demand by Mortgagee in addition to the monthly payments of interest or principal payable under the terms of the Mortgage Note secured hereby...

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- heretofore located upon the premises, or related to or used or useable in connection with any present or future operation upon such property, and a security interest in the proceeds of all insurance policies now or hereafter covering all or any part of such collateral.
- 8. MORTGAGEE'S PAYMENT OF GOVERNMENTAL, MUNICIPAL OR OTHER CHARGES OR LIENS.** Upon the occurrence of an event of default hereunder Mortgagee is hereby authorized to make or advance, in the place and stead of the Mortgagee, any payment relating to any governmental, municipal, or other charges, fees, impositions, or liens asserted against the Premises and may do so according to any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of the bill, statement, or estimate or into the validity of any tax, assessments or charges or liens herein required to be paid by Mortgagee, or changing in any way the laws relating to the taxation of mortgages or deeds secured by mortgages or the Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to affect this mortgage or the debt secured hereby or the holder thereof, then, and in any such event, the Mortgagee, upon demand by the Mortgagee, shall pay such taxes or assessments or reimburse the Mortgagee therefor, provided however, that if in the opinion of counsel for the Mortgagee (i) it might be unlawful to require Mortgagee to make such payment, or (ii) the making of such payment might result in the imposition of a lien or other encumbrance upon the Premises beyond the maximum amount permitted by law, then and in any such event, the Mortgagee may elect, by notice in writing given to the Mortgagee, to declare all of the indebtedness to be and become due and payable sixty (60) days from the giving of such notice.
- 10. PURPOSE OF LOAN.** Mortgagee (as advised by its beneficiaries) if Mortgagee is a land trust, if such is the case) represents, understands and agrees that the obligations secured hereby constitute a business loan as defined in this paragraph. This Mortgage Note is an exempt transaction under the Truth-in-Lending Act, 15 U.S.C., paragraph 1601 et seq., and this Mortgage Note and the Mortgage which is secured thereby are to be construed and governed by the laws of Illinois and that the entire proceeds of the Mortgage Note shall be used for business purposes as defined in paragraph 604 Sec. 4(c), Chap. 17 of the Illinois Revised Statutes.
- 11. MORTGAGEE'S RIGHT OF INSPECTION.** The Mortgagee and any persons authorized by the Mortgagee shall have the right to enter upon and inspect the Premises at all reasonable times; and it, at any time after default by the Mortgagee in the performance of any of the terms, covenants, or provisions of the Mortgage Note or the Loan Documents, the Mortgagee shall employ for the duration of such default, as a managing agent of the Premises, any person from time to time designated by the Mortgagee and Mortgagee shall be liable for any inspection fee.
- 12. REPRESENTATIONS AND WARRANTIES.** Mortgagee hereby represents (and if the Premises are vested in a land trust, the beneficiary(ies) hereinafter named, by directing Mortgagee to execute and deliver this Mortgage and by joining in the execution of this Mortgage, to the best of their knowledge (represent(s) and warrants) to Mortgagee as of the date hereof and as of all dates hereafter that: (a) Ownership. Mortgagee owns the entire Premises and no portion or entity, other than Mortgagee and the Mortgagee has any interest (direct or indirect, collateral or otherwise) (other than the lease's leasehold interest) in the Premises; (b) Use of Mortgage Proceeds. Mortgagee intends to utilize, and its utilizing, the proceeds of the indebtedness evidenced by the Mortgage Note and secured hereby for its business purposes; (c) True Statement. Mortgagee has not made any untrue statement or false disclosure to Mortgagee to induce it to issue its Commitment Letter with respect to its financial status or ability to repay the indebtedness or perform the covenants contained in the Loan Documents specified in the Mortgage Note, or omitted to state in a material fact necessary to make statements made or matters disclosed to Mortgagee, in light of the circumstances under which said statements were made or matters disclosed, not misleading; (d) Default Under Agreement. Mortgagee is not in default under any agreement to which it is a party, the effect of which will materially and adversely affect performance by Mortgagee of its obligations pursuant to and as contemplated by the terms and provisions of the aforesaid Commitment Letter, the Mortgage Note, or any of the Loan Documents herein specified, and the consummation of the transaction(s) herein and therein contemplated, and compliance with the terms hereof will not violate any presently existing applicable order, writ, injunction, or decree of any court or governmental department, commission, bureau, agency, or institution, individually or collectively, and will not conflict with, or result in any breach of any of the terms, covenants, conditions, or provisions of, or constitute a default under any act, by-law, partnership agreement, indenture, mortgage, deed of trust, instrument, document, agreement or contract to which Mortgagee may be bound; and (e) Proceedings and Insurance. Mortgagee is not involved, or to the best of its knowledge, is not threatened to be involved in, any actions, suits, or proceedings affecting them or the Premises before any court or governmental, administrative, regulatory, adjudicating, or arbitrational body or agency of any kind which is not covered by insurance, and which will materially affect performance by Mortgagee of its obligations pursuant to this Mortgage, the Mortgage Note, or the Loan Documents specified therein.
- 13. Mortgagee Only Organized.** Mortgagee has been duly organized and is in good standing under the laws of the State of Illinois and is authorized to bind Mortgagee, the Mortgagee, Mortgage Note (and any other Loan Documents) are valid and enforceable in accordance with their terms.
- 14. Condition of Premises.** The buildings are in high quality physical order, repair and condition, are structurally sound and wind and water tight, and all plumbing, electrical, heating, ventilation, air conditioning, elevator and other mechanical systems and equipment are in good operating order, repair and condition.
- 15. Taxes.** Mortgagee has filed all federal, state, county, and municipal income tax returns required to have been filed by it and has paid all taxes which have become due pursuant to such returns or purchases or purchases in respect of such taxes.
- 16. Litigation.** There is not now pending against or alleging Mortgagee, Beneficiary or any Guarantor of the Mortgage Note or the Premises nor, to the knowledge of Mortgagee, is there threatened, any action, suit or proceeding at law or in equity or by or before any administrative agency which if adversely determined would materially impair or affect the financial condition or operation of Mortgagee, Beneficiary, or any Guarantor of the Mortgage Note or the Premises.
- 17. Existing Leases.** All existing leases affecting the Premises are in full force and effect and neither Lessor nor Lessee are in default thereunder and no lease has any claim for any deduction or setoff against rent and all leases contain subordination provisions requiring lessees to subordinate their leasehold interest to this Mortgage, and all Leases are valid and enforceable in accordance with their terms.
- 18. Permits and Approvals.** All permits, certificates, approvals, approvals and licenses required for or in connection with the ownership, use, occupancy or employment of the Premises or in connection with the organization, existence, and conduct of the business of Mortgagee are in full force and effect.
- 19. Zoning.** The Premises are duly and validly zoned and are and shall be in full force and effect.
- 20. Easements.** The Premises are duly and validly zoned and are and shall be in full force and effect.
- 21. Utility Services.** All utility services necessary and sufficient for the full use, occupancy and operation of the Premises are available to and currently servicing the Premises without the necessity of any off-site improvements or further connection costs.

(B) Brokerage Commissions and Other Fees. That Mortgagee is not liable for nor responsible for the payment of any brokerage commissions or fees in connection with the loan to be disbursed by Mortgagee hereunder.

(o) Hazardous Waste, Etc. That the premises are free of any asbestos and the premises have not been used for the purpose of storing, disposal or treatment of hazardous substances or hazardous waste, and there has been no surface or subsurface contamination due to the storing, disposal or treatment of any hazardous substances, hazardous wastes or regulated substances as those terms are defined in the Comprehensive Environmental Response, Liability and Compensation Act, 42 U.S.C. 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., and the Environmental Protection Act, 1955 (supp. 1966 and 1987) ch. 111-1/2 par. 1101 et seq., and neither Mortgagee nor any and all previous owners of the real estate have received any notification of any asserted present or past failure to comply with any such environmental protection laws or regulations adopted pursuant thereto. Mortgagee shall immediately notify Mortgagee of any notice or threatened action from any governmental agency or from any tenant under a lease of any portion of the premises of a failure to comply with any such environmental protection laws and with any rules or regulations adopted pursuant thereto.

(n) Failure to Provide Insurance. Any failure to provide the insurance specified in paragraphs 1(C)(ii) and 1(C)(iii) herein: (iii) Default in Payment of Principal or Interest. Any default in the payment of principal and/or interest under the Mortgage Note secured hereby which default or failure remains uncured for a period of ten (10) days; or (iiii) Default in Performance of Covenants or Conditions. Any default in the performance or observance of any other term, covenant, or condition in this Mortgage, or in any other instrument now or hereafter evidencing or securing said indebtedness which default continues for thirty (30) days;

(iv) Voluntary Bankruptcy Proceedings. If the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note shall file a petition in voluntary bankruptcy or under Chapter 7 or Chapter 11 of the Federal Bankruptcy Code or any similar law, state or federal, whether now or hereafter existing, which action is not dismissed within thirty (30) days; or (v) Admission of Insolvency. If the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note shall file an answer admitting insolvency or inability to pay their debts or fail to obtain a vacation or stay of involuntary proceedings within thirty (30) days after the filing thereof;

(vi) Adjudication of Bankruptcy. If the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note shall be adjudicated as bankrupt, or a trustee or a receiver shall be appointed for the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note which appointment is not relinquished within thirty (30) days for all or any portion of the Premises or its or their property in any involuntary proceedings; or (vii) Involuntary Proceedings. Any court shall have taken jurisdiction of all or any portion of the Premises or the property of the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note, in any involuntary proceeding for reorganization, dissolution, liquidation, or winding up of the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within the thirty (30) days after appointment; or (viii) Assignment for Benefit of Creditors. The Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note shall make an assignment for the benefit of creditors, or shall admit in writing its or their insolvency or shall consent to the appointment of a receiver or trustee or liquidator of all or any portion of the Premises; or (ix) Truth or Falsity of Warranties. The truth or falsity of any of the warranties contained herein, or the Collateral Assignment of Leases and Real Estate given to secure the payment of the Mortgage Note; (x) Foreclosure of Other Liens. If the holder of a junior or senior mortgage or other lien on the Premises (without hereby implying Mortgagee's consent to any such junior or senior mortgage or other lien) declares a default or insures foreclosure or other proceedings for the enforcement of its lien, or the Premises or any material part thereof is demolished, destroyed or damaged by any cause whatsoever and the loss is not adequately covered by insurance actually collected and Mortgagee fails to deposit with the Mortgagee the delinquent upon written request; (xi) Abandonment. If the premises shall be abandoned;

(xii) Default Under Other Indebtedness. If the Mortgagee, any Beneficiary or the guarantor of the Mortgage Note shall be in default under any other indebtedness, obligation, Loan Documents, commitment letter or any liability as evidenced in the Mortgagee's financial condition of the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note as reflected on any updated financial statement(s) or as disclosed by an audit required by Mortgagee, compared to such party's net assets or financial condition as reflected on the financial statement(s) submitted to Mortgagee as of the date hereof;

(xv) False Representation. If any representation or warranty made by Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note or others in, under or pursuant to the Loan Documents shall be false or misleading in any respect on or at any time after the date when made or if any inaccuracy shall exist in any of the financial statements, operating information or other information furnished to Mortgagee in connection with the Loan Documents;

(xvi) Failure to Notify Mortgagee of Default or False Representation. If Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note shall fail to notify Mortgagee in writing as soon as it shall be practicable to do so upon learning that any representation or warranty made by Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note to Mortgagee is false or misleading in any material respect or upon learning of the occurrence of any event of Default under the Loan Documents;

(xvii) Failure to Obtain Mortgagee's Consent to Transfer or Financing. If Mortgagee or any party(ies) set forth in this Mortgage shall make any unpermitted transfer or financing in violation hereof;

(xviii) Judgment, Levy or Attachment. If any final judgment for the payment of money in excess of Five Thousand Dollars (\$5,000.00) shall be rendered against Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note or if any writ, attachment, levy, citation, lien, or distress warrant shall be issued against the Premises or any part thereof or interest therein;

(xix) Inability to Pay Impositions and Other Debts. If Mortgagee shall fail to pay any of the impositions when due, or if Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note shall be unable to pay its debts as they come due, or shall admit in writing its inability to pay its debts as they become due, or shall make a general assignment for the benefit of creditors;

(xx) Other Indebtedness. If Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note shall default in the due and punctual performance of any covenants, conditions, warranties, representations, or other obligations, including, without limitation, the repayment of indebtedness, under any documents or instruments evidencing or securing any other indebtedness owed to Mortgagee and shall fail to cure such default within the applicable cure or grace period, if any;

(xxi) Default Under Leases. If Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note defaults under any lease upon the occurrence of an Event of Default, the entire indebtedness secured hereby, including, but not limited to, principal and accrued interest shall, at the option of the Mortgagee and without demand or notice to Mortgagee, become immediately due and payable with interest accruing thereafter on the unpaid principal balance of the Mortgage Note at the Default Rate (as hereinafter derived) and, thereupon, or at any time after the occurrence of any such Event of Default, the Mortgagee may proceed to foreclose (this Mortgage by judicial proceedings according to the statutes in such state provided, and any failure to exercise said option shall not constitute a waiver of the right to exercise the same at any other time).

(B) Expenses of Litigation. In any suit to foreclose the lien on this Mortgage or enforce any other remedy of the Mortgagee under this Mortgage, the Mortgage Note, or any other document given to secure the indebtedness represented by the Mortgage Note, there shall be allowed and included as additional indebtedness in the judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stationery, charges, publication costs, survey costs and cost (which may be estimated as to items to be expended after entry of the decree) or of procuring all abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree, the true condition of the title to or value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of said Premises and the maintenance of the lien of this Mortgage, including the fees of any attorney affecting this Mortgage, the Mortgage Note or the Premises, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagee, with interest thereon as the Detail Note.

(B) Brokerage Commissions and Other Fees. That Mortgagee is not liable for nor responsible for the payment of any brokerage commissions or fees in connection with the loan to be disbursed by Mortgagee hereunder.

(o) Hazardous Waste, Etc. That the premises are free of any asbestos and the premises have not been used for the purpose of storing, disposal or treatment of hazardous substances or hazardous waste, and there has been no surface or subsurface contamination due to the storing, disposal or treatment of any hazardous substances, hazardous wastes or regulated substances as those terms are defined in the Comprehensive Environmental Response, Liability and Compensation Act, 42 U.S.C. 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., and the Environmental Protection Act, 1955 (supp. 1966 and 1987) ch. 111-1/2 par. 1101 et seq., and neither Mortgagee nor any and all previous owners of the real estate have received any notification of any asserted present or past failure to comply with any such environmental protection laws or regulations adopted pursuant thereto. Mortgagee shall immediately notify Mortgagee of any notice or threatened action from any governmental agency or from any tenant under a lease of any portion of the premises of a failure to comply with any such environmental protection laws and with any rules or regulations adopted pursuant thereto.

(n) Failure to Provide Insurance. Any failure to provide the insurance specified in paragraphs 1(C)(ii) and 1(C)(iii) herein: (iii) Default in Payment of Principal or Interest. Any default in the payment of principal and/or interest under the Mortgage Note secured hereby which default or failure remains uncured for a period of ten (10) days; or (iiii) Default in Performance of Covenants or Conditions. Any default in the performance or observance of any other term, covenant, or condition in this Mortgage, or in any other instrument now or hereafter evidencing or securing said indebtedness which default continues for thirty (30) days;

(iv) Voluntary Bankruptcy Proceedings. If the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note shall file a petition in voluntary bankruptcy or under Chapter 7 or Chapter 11 of the Federal Bankruptcy Code or any similar law, state or federal, whether now or hereafter existing, which action is not dismissed within thirty (30) days; or (v) Admission of Insolvency. If the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note shall file an answer admitting insolvency or inability to pay their debts or fail to obtain a vacation or stay of involuntary proceedings within thirty (30) days after the filing thereof;

(vi) Adjudication of Bankruptcy. If the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note shall be adjudicated as bankrupt, or a trustee or a receiver shall be appointed for the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note which appointment is not relinquished within thirty (30) days for all or any portion of the Premises or its or their property in any involuntary proceedings; or (vii) Involuntary Proceedings. Any court shall have taken jurisdiction of all or any portion of the Premises or the property of the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note, in any involuntary proceeding for reorganization, dissolution, liquidation, or winding up of the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within the thirty (30) days after appointment; or (viii) Assignment for Benefit of Creditors. The Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note shall make an assignment for the benefit of creditors, or shall admit in writing its or their insolvency or shall consent to the appointment of a receiver or trustee or liquidator of all or any portion of the Premises; or (ix) Truth or Falsity of Warranties. The truth or falsity of any of the warranties contained herein, or the Collateral Assignment of Leases and Real Estate given to secure the payment of the Mortgage Note;

(x) Foreclosure of Other Liens. If the holder of a junior or senior mortgage or other lien on the Premises (without hereby implying Mortgagee's consent to any such junior or senior mortgage or other lien) declares a default or insures foreclosure or other proceedings for the enforcement of its lien, or the Premises or any material part thereof is demolished, destroyed or damaged by any cause whatsoever and the loss is not adequately covered by insurance actually collected and Mortgagee fails to deposit with the Mortgagee the delinquent upon written request; (xi) Abandonment. If the premises shall be abandoned;

(xii) Default Under Other Indebtedness. If the Mortgagee, any Beneficiary or the guarantor of the Mortgage Note shall be in default under any other indebtedness, obligation, Loan Documents, commitment letter or any liability as evidenced in the Mortgagee's financial condition of the Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note as reflected on any updated financial statement(s) or as disclosed by an audit required by Mortgagee, compared to such party's net assets or financial condition as reflected on the financial statement(s) submitted to Mortgagee as of the date hereof;

(xv) False Representation. If any representation or warranty made by Mortgagee, any Beneficiary or any Guarantor of the Mortgage Note or others in, under or pursuant to the Loan Documents shall be false or misleading in any respect on or at any time after the date when made or if any inaccuracy shall exist in any of the financial statements, operating information or other information furnished to Mortgagee in connection with the Loan Documents;

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MORTGAGEE'S RIGHT OF POSSESSION IN CASE OF EVENT OF DEFAULT... THE MORTGAGEE HAS A RIGHT TO INSTITUTE FORECLOSURE PROCEEDINGS...

IN THE EVENT OF THE COMMENCEMENT OF A JUDICIAL FORECLOSURE... THE MORTGAGEE SHALL BE AND IS AUTHORIZED IMMEDIATELY TO EXECUTE AND DELIVER...

WALVEY OF STATUTORY RIGHTS... MORTGAGEE MAY BE THE PURCHASER AT ANY FORECLOSURE SALE OF THE PREMISES...

RELATION OF OR FAILURE TO EXERCISE... THE FAILURE OF THE MORTGAGEE TO EXERCISE THE OPTION FOR ACCELERATION...

APPLICATION OF PROCEEDS OF FORECLOSURE SALE... THE PROCEEDS OF ANY FORECLOSURE SALE OF THE PREMISES...

APPOINTMENT OF RECEIVER... UPON OR AT ANY TIME AFTER THE FILING OF ANY COMPLAINT TO FORECLOSE THIS MORTGAGE...

MORTGAGEE'S DETERMINATION OF PRIORITY OF PAYMENTS... ANY ASSIGNMENT OF THE PREMISES RECEIVED BY THE MORTGAGEE...

MORTGAGEE TO CANCEL THE SAME... MORTGAGEE TO CANCEL THE SAME OR ON ANY GROUND WHICH WOULD ENTITLE MORTGAGEE TO CANCEL THE SAME...

MORTGAGEE'S RIGHT OF POSSESSION IN CASE OF EVENT OF DEFAULT... MORTGAGEE HAS A RIGHT TO INSTITUTE FORECLOSURE PROCEEDINGS...

MORTGAGEE'S RIGHT OF POSSESSION IN CASE OF EVENT OF DEFAULT... MORTGAGEE HAS A RIGHT TO INSTITUTE FORECLOSURE PROCEEDINGS...

MORTGAGED PROPERTY AFTER ANY DEFAULT IN OR BREACH OF ANY OF THE COVENANTS, AGREEMENTS OR PROVISIONS HEREIN CONTAINED.

(J) **Default Rate.** The term "Default Rate" shall be the prime rate plus SIX (6%) percent (P + 6). The term prime rate means the prime commercial rate of the Mortgagee, such rate being changed from time to time as established or announced by Mortgagee. Prime does not mean the lowest interest rate offered by Mortgagee from time to time.

14. **ASSIGNMENT OF RENTS, ISSUES AND PROFITS.** Mortgagor hereby assigns and transfers to Mortgagee all the rents, issues and profits of the Premises and hereby gives to and confers upon Mortgagee the right, power, and authority to collect such rents, issues and profits. Mortgagee irrevocably appoints Mortgagee its true and lawful attorney-in-fact, at the option of Mortgagee at any time and from time to time, after the occurrence of an Event of Default and after Notice and the expiration of any applicable grace period, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of Mortgagor or Mortgagee, for all such rents, issues and profits and apply the same to the indebtedness secured hereby; provided, however, that Mortgagee shall have the right to enter into leases for the Premises at rents not less than the going rate for comparable space in the same community, collect such rents, issues and profits (but not more than two months in advance, including any security deposits) prior to or at any time there is not an Event of Default under this Mortgage or the Mortgage Note. The Assignment of the rents, issues and profits of the Premises in this paragraph is intended to be an absolute assignment from Mortgagor to Mortgagee and not merely the passing of a security interest. The rents, issues and profits are hereby assigned absolutely by Mortgagor to Mortgagee contingent only upon the occurrence of an Event of Default under any of the Loan Instruments.

15. **COLLECTION UPON DEFAULT.** Upon any Event of Default, Mortgagee may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Premises, or any part thereof, in its own name use for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as Mortgagee may determine. The collection of such rents, issues and profits, or the entering upon and taking possession of the Premises, or the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default.

16. **ASSIGNMENT OF LEASES.** Mortgagor hereby assigns and transfers to Mortgagee as additional security for the payment of the indebtedness hereby secured, all present and future leases upon all or any part of the Premises and to execute and deliver, at the request of Mortgagee, all such further assurances and assignments in the Premises as Mortgagee shall from time to time reasonably require.

17. **RIGHTS AND REMEDIES ARE CUMULATIVE.** All rights and remedies herein provided are cumulative and the holder of the Mortgage Note secured hereby and of every other obligation secured hereby may recover judgment hereon, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security of any right afforded by this Mortgage.

18. **GIVING OF NOTICE.** Any notice or demands which either party hereto may desire or be required to give to the other party, shall be in writing and shall be hand delivered or mailed by certified mail, return receipt requested, addressed to such other party at the address, hereinabove or hereinafter set forth, or at such other address as either party hereto may, from time to time, by notice in writing, designate to the other party, as a place for service of notice. All such notices and demands which are mailed shall be effectively given two (2) business days after the date of post marking. All such notices and demands which are hand delivered shall be effectively given on the date of such delivery. In case no other address has been so specified, notices and demands hereunder shall be sent to the following address:

To Mortgagee:  
Affiliated Bank/North Shore National, 1737 W. Howard Street, Chicago, IL 60626

To Mortgagor:  
Zane D. Smith, 3946 North Southport, Chicago, IL 60613

19. **TIME IS OF THE ESSENCE.** It is specifically agreed that time is of the essence of this Mortgage. The waiver of the options or obligations secured hereby shall not at any time thereafter be held to be abandonment of such rights. Except as otherwise specifically required, notice of the exercise of any option granted to the Mortgagee herein, or in the Mortgage Note secured hereby is not required to be given.

20. **COMMITMENT LETTER.** The indebtedness evidenced by the Mortgage Note and secured hereby has been extended to Mortgagor by Mortgagee pursuant to the terms of a Commitment Letter dated 10/17/87 issued by Mortgagee and subsequently accepted as set forth in such commitment. All terms and conditions of such Commitment Letter are incorporated herein by reference as if fully set forth.

21. **COVENANTS TO RUN WITH THE LAND.** All the covenants hereof shall run with the land.

22. **CAPTIONS.** The captions and headings of various paragraphs are for convenience only, and are not to be construed as defining or limiting in any way the scope or intent of the provisions thereof.

23. **CONSTRUCTION.** Mortgagor does hereby acknowledge that all negotiations relating to the loan evidenced by the Mortgage Note, this Mortgage, and all other documents and instruments securing the Mortgage Note, took place in the State of Illinois. Mortgagor and Mortgagee (by making the loan evidenced by the Mortgage Note) do hereby agree that the Mortgage Note, this Mortgage and all other documents securing the Mortgage Note shall be construed and enforced according to the laws of the State of Illinois.

24. **APPLICATION OF INSURANCE PROCEEDS AND EMINENT DOMAIN AWARDS.**

- (A) In the event of any such loss or damage to the Premises, as described in paragraph 1(C)(ii) hereof, Mortgagor shall give immediate notice to Mortgagee, and the Mortgagee is authorized (a) to settle and adjust any claim under insurance policy(ies) which insure against such risks or (b) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, Mortgagee is authorized to collect and receipt for any such money and Mortgagee is authorized to execute the proofs of loss on behalf of Mortgagor, the insurance proceeds after deducting therefrom any expenses incurred in the collection thereof (including the fees of an adjuster) may at the option of the Mortgagee be applied as follows: (i) as a credit upon any portion of the indebtedness secured hereby; or (ii) to reimburse Mortgagor for repairing or restoring the improvements, provided that Mortgagor complies with each of the provisions specified in paragraph 24(B)(i) through 24(B)(iii) hereof, in which event the Mortgagee shall not be obliged to see to the proper application thereof nor shall the amount so released or used for restoration be deemed a payment on the indebtedness secured hereby.
- (B) In the event that Mortgagee elects to make the proceeds of insurance available for the restoration of the improvements so damaged, no disbursement thereof shall occur unless Mortgagor is in compliance with each of the following conditions:
  - (i) No Event of Default shall then exist under any of the terms, covenants and conditions of the Mortgage Note, this Mortgage, or any other documents or instruments evidencing or securing the Mortgage Note;
  - (ii) Mortgagee shall first be given satisfactory proof that such improvements have been fully restored or that by the expenditure of the proceeds of insurance, and any sums deposited by Mortgagor pursuant to the terms of subparagraph (iii) hereof, will be fully restored, free and clear of mechanic's and materialman's liens, except for liens for which adequate provisions is made pursuant to paragraph 1(D) hereof, within six (6) months from the date of such loss or damage;
  - (iii) In the event such proceeds shall be insufficient to restore the improvements, Mortgagor shall deposit promptly with Mortgagee funds which, together with the insurance proceeds, would be sufficient to restore the improvements.
- (C) The excess of the insurance proceeds above the amount necessary to complete any necessary restoration shall, after completion of the repair and restoration, be applied as a credit upon any portion, as selected by Mortgagee, of the indebtedness secured hereby, but the funds released by Mortgagee for restoration shall in no event be deemed a payment of the indebtedness secured hereby.
- (D) In the event Mortgagee shall elect to permit the Mortgagor to use such proceeds for the restoring of the improvements or in the event Mortgagee shall elect to permit Mortgagor to use such proceeds for the restoring of the improvements, such proceeds shall be made available, from time to time, upon Mortgagee being furnished with satisfactory evidence of the estimated cost of such restoration and with architect's certificates, partial or final waivers of lien, as the case may be, contractors' sworn statements, and if the estimated cost of the work exceeds ten (10%) percent of the original principal amount of the indebtedness secured hereby, with all plans and specifications for such rebuilding or restoration as Mortgagee may reasonably require and approve. No payment made prior to the final completion of the work shall exceed ninety (90%) percent of the value of the work performed, from time to time, and at all times the undischarged balance of said proceeds remaining in the hands of the Mortgagee shall be at least sufficient to pay for the cost of the completion of the work, free and clear of any liens. In the event of foreclosure of this Mortgage, or other transfer of title to the Premises in extinguishment of the indebtedness secured hereby, all right, title, and interest of the Mortgagor, in and to any insurance policies then in

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force, and any claims or proceeds thereunder shall to the extent of the indebtedness, pass to the Mortgagee or any purchaser or grantee.

- (2) In the event that Mortgagee elects to make available to the Mortgagor the proceeds of any award for eminent domain to restore any improvements on the Premises, no disbursement thereof shall occur unless Mortgagor is in compliance with each of the following condition:
- (i) No Event of Default shall then exist under any of the terms, covenants, and conditions of the Mortgage Note, this Mortgage, or any other documents or instruments evidencing or securing the Mortgage Note;
  - (ii) Mortgagee shall first be given satisfactory proof that such improvements have been fully restored or that by the expenditure of such award and any such sums deposited with Mortgagee pursuant to the terms of subparagraph (iii) hereof, will be fully restored, free and clear of all mechanic's and materialmen's liens, except for liens for which adequate provision is made pursuant to paragraph 1(D) hereof, within six (6) months from the date of such taking;
  - (iii) In the event such award shall be insufficient to restore the improvements, Mortgagor shall deposit promptly with Mortgagee funds which, together with the award proceeds, would be sufficient to restore the improvements;
  - (iv) The rental income to be derived from the improvements, subsequent to such taking by eminent domain, shall not adversely affect the Mortgagor's ability to pay the indebtedness evidenced by the Mortgage Note;
  - (v) The disbursement of the award will be made according to those provisions of paragraph 24 which relate to the disbursement of insurance proceeds for repair and restoration of the improvements and the conditions precedent to be satisfied by the Mortgagor with regard thereto;
  - (vi) The excess of the proceeds of the award, above the amount necessary to complete such restoration, shall be applied as a credit upon any portion, as selected by Mortgagee, of the indebtedness secured hereby, but the proceeds of the award released by Mortgagee for restoration shall, in no event, be deemed a payment of the indebtedness secured hereby.

25. **FILING AND RECORDING CHARGES AND TAXES.** Mortgagor will pay all filing, registration, recording and search and information fees, and all expenses incident to the execution and acknowledgment of this Mortgage and all other documents securing the Mortgage Note and all federal, state, county and municipal taxes, other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery, filing, recording or registration of the Mortgage Note, this Mortgage and all other documents securing the Mortgage Note and all assignments thereof.

26. **NON-JOINDER OF PLAINTIFF.** After an Event of Default, Mortgagee shall have the right and option to commence a civil action to foreclose the lien on this Mortgage and to obtain an order or judgment of foreclosure and sale subject to the rights of any tenant or tenants of the Premises. The failure to join any tenant or tenants of the Premise as party defendant or defendants in any such civil action or the failure of any such order or judgment to foreclose their rights shall not be asserted by the Mortgagor as a defense in any civil action instituted to collect the indebtedness secured hereby, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Premises, any statute or rule of law at any time existing to the contrary notwithstanding.

27. **BINDING ON SUCCESSORS AND ASSIGNS.** Without expanding the liability of any guarantor contained in any instrument of Guaranty executed in connection herewith, this Mortgage and all provisions hereof shall extend and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "mortgagor" when used herein, shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Mortgage Note or this Mortgage. The word "mortgagee" when used herein, shall include the successors and assigns of the Mortgagee named herein and the holder or holders, from time to time, of the Mortgage Note secured hereby. Whenever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall include all genders.

28. **INSURANCE UPON FORECLOSURE.** In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policies, if not applied in rebuilding or restoring the buildings or improvements, shall be used to pay the amount due in accordance with any decree of foreclosure and any balance shall be paid as the court may direct. In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the decree creditor may cause a new loss clause to be attached to each casualty insurance policy making the proceeds payable to decree creditors; and any such foreclosure decree may further provide that in case of one or more redemption under said decree, each successive redeemer may cause the preceding loss clause attached to each casualty insurance policy to be cancelled and a new loss clause to be attached thereto, making the proceeds thereunder payable to such redeemer. In the event of foreclosure sale, Mortgagee is authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

29. **ATTORNEY'S FEES.** Mortgagor shall pay for Mortgagee's attorney's fees, costs, and expenses for negotiations, preparation of, drafting of Mortgage and other loan documents including but not limited to advice received by Mortgagee from Mortgagee's attorneys from time to time arising out of this Mortgage and other loan documents.

30. **OTHER CONTRACTS.** The Mortgagor hereby assigns to the Mortgagee as further security for the indebtedness secured hereby, the Mortgagor's interest in all agreements, contracts (including contracts for the lease or sale of the premises or any portion thereof), licenses and permits affecting the premises. Such assignment shall not be construed as a consent by the Mortgagee to any agreement, contract, license or permit so assigned, or to impose upon the Mortgagee any obligations with respect thereto. The Mortgagor shall not cancel or amend any of the agreements, contracts, licenses and permits hereby assigned (nor permit any of the same to terminate if they are necessary or desirable for the operation of the premises) without first obtaining, on each occasion, the prior written approval of the Mortgagee. This paragraph shall not be applicable to any agreement, contract, license or permit that terminates if it is assigned without the consent of any party thereto (other than Mortgagor) or issuer thereof, unless such consent has been obtained or this Mortgage is ratified by such party or issuer; nor shall this paragraph be construed as a present assignment of any contract, license, or permit that the Mortgagor is required by law to hold in order to operate the mortgaged premises for the purpose intended.

31. **FUTURE ADVANCES.** Upon request of Mortgagor, Mortgagee, at Mortgagee's option, so long as this Mortgage secures the indebtedness held by Mortgagee, may make future advances to Mortgagor subject to the following further conditions that:

- A) All the advances must be made on or before twenty (20) years from the date of this Mortgage;
- B) That at no time shall the principal amount of the indebtedness secured by this Mortgage not including sums advanced in accordance herewith to protect the security of the Mortgage exceed the original amount of the Mortgage Note (U.S. \$ 60,000.00);
- C) Such future advances with interest thereon shall be secured by this Mortgage when evidenced by Mortgage Note(s) stating that said Mortgage Note(s) are secured hereby. Such Mortgage Note(s) may be in the form of a Demand GRID Mortgage Note(s);
- D) That such subsequent advances shall have the same priority over liens, encumbrances, and other matters as advances secured by this Mortgage as of the Date of this Mortgage;
- E) Such future advances constitute "Revolving Credit" as defined in Sec. 4.1 of Ch. 17 Para. 6405 of the Ill. Rev. Stat.

IN WITNESS WHEREOF, Mortgagor has caused these presents to be signed the day and year first above written.



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## Land Trust Mortgagor

### EXCULPATION

This instrument is executed by Mortgagor, not personally, but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee. All the terms, provisions, stipulations, covenants, and conditions to be performed by Mortgagor are undertaken by its solely as Trustee as aforesaid, and not individually, and no personal liability shall be asserted or enforceable against Mortgagor by reason of anything contained in said instrument, or in any previously executed document whether or not executed by said Mortgagor either individually or as Trustee as aforesaid, relating to the subject matter of the foregoing agreement, all such personal liability, if any, being expressly waived by every person now or hereafter claiming any right or security hereunder.

IN WITNESS WHEREOF, this Mortgage has been duly executed the day and year first above written.

This Mortgage is executed by the undersigned, not personally, but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and insofar as said Trustee is concerned, is payable only out of the Trust estate which in part is securing the payment hereof and through the enforcement of the provisions of any other collateral from time to time securing payment hereof. No personal liability shall be asserted or be enforceable against the undersigned, as Trustee, because or in respect of this Mortgage or the making, issue or transfer thereof, all such liability of said Trustee, if any, being expressly waived in any manner.

Affiliated Bank/North Shore National  
as Trustee under Trust Agreement dated 1-1-88

and known as Trust No. 957  
and not personally

By Denise Lara To  
Its Denise Lara - Trust Officer

Its

ATTEST: (SEAL)

By: Brent Baum

Name: Brent Baum

Title: Assistant Secretary

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## JOINDER BY THE BENEFICIARIES

The undersigned beneficiaries (the "Beneficiaries"), of Affiliated Bank/North Shore National  
Trust No. 957 under Trust Agreement  
dated 1-1-88, hereby execute this Mortgage and Security Agreement for the purpose of joining herein,  
making the assignments, grants of security interests, transfers and conveyances hereunder, and making, undertaking and  
agreeing to the covenants, agreements, obligations, and representations herein, all in accordance with and subject to the  
following:

A. The Beneficiaries hereby grant to the Mortgagee, as security for the secured obligations, a security interest in all of the  
property included in the premises described in Exhibit 3 attached to the Mortgage which constitutes fixtures under the UCC and  
also all of said property which constitutes personal property not constituting a part and parcel of the real estate.

B. The Beneficiaries hereby assign to the Mortgagee, as security for the secured obligations, all of the rents, issues, and  
profits and all of the leases, letting, and other agreements for the use as occupancy of the premises, now or hereafter made, as  
more fully described in paragraph 14 of the Mortgage.

C. The Beneficiaries hereby covenant and agree to be bound by, and to be deemed to have entered into and made, all of the  
Mortgagor's covenants, agreements, obligations and representations (which shall constitute representations and warranties of  
the Beneficiaries) under the Mortgage with the same force and effect as if they were fully set forth herein verbatim.

Executed in Chicago, Illinois, this 23 day of March, 19 88.

Synergism, Inc.

By: Charles D. Frawley

PRESIDENT

Property of Cook County Clerk's Office

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## TRUSTEE'S ACKNOWLEDGEMENT

STATE OF ILLINOIS )  
                                  ) SS:  
COUNTY OF COOK )

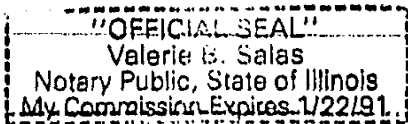
I, Valerie B. Salas, a Notary Public in and for the County and State aforesaid, do hereby certify that  
Brent Baum and Denise Lara the  
Assistant Secretary and Trust Officer

respectively of Affiliated Bank/North Shore National who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such officers, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said bank, not personally but as Trustee under Trust No. \_\_\_\_\_ for the uses and purposes therein set forth, and that the said \_\_\_\_\_ did then affix the seal of said bank as his/her own free and voluntary act and as the free and voluntary act of said bank, not personally but as Trustee aforesaid, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 22 day of March, 19 88.

Valerie B. Salas  
Notary Public

My Commission Expires:



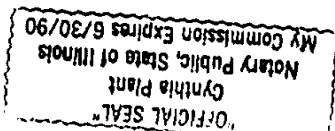
## BENEFICIARIES' ACKNOWLEDGEMENT

STATE OF ILLINOIS )  
                                  )  
COUNTY OF COOK )

I, Cynthia Plant, a Notary Public in and for said County in the State aforesaid DO HEREBY CERTIFY that  
CLARK D. ANDREWS and

\_\_\_\_\_ personally known to me to be the same persons whose names are subscribed to the foregoing instrument as the beneficiaries of Affiliated Bank/North Shore National # 957, not individually, but as Trustee as aforesaid, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 23 day of MARCH, 19 88.



Cynthia Plant  
Notary Public

My Commission Expires:

6/30/90

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## CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 22nd day of March, 19 88, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to Affiliated Bank/North Shore National (the "Lender") of the same date and covering the Property described in the Security Instrument and located at: Units 1145 & 1157 W. Roscoe, 3351B N. Racine, 3351 & 3355 N. Racine, Chicago, IL (Property Address)

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

Hawthorne Court Townhouse

(Name of Condominium Project)

(the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

**CONDOMINIUM COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. Condominium Obligations.** Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

**B. Hazard Insurance.** So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with any excess paid to Borrower.

**C. Public Liability Insurance.** Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

**D. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 9.

**E. Lender's Prior Consent.** Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender;

(iii) termination of professional management and assumption of self-management of the Owners Association;

or

(iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

**F. Remedies.** If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium Rider.

Affiliated Bank/North Shore National

U/T 957 dated 1-1-88, As Trustee and not personally

..... Denise Lara - Trust Officer ..... (Seal)  
Borrower

..... (Seal)  
Borrower

..... (Seal)  
Borrower

..... (Seal)  
Borrower

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## EXHIBIT 2

### LEGAL DESCRIPTION

#### PARCEL 1

UNIT 3351B IN HAWTHORNE COURT TOWNHOME CONDOMINIUM AS DELINEATED ON THE PLAT OF SURVEY OF THE FOLLOWING DESCRIBED TRACT OF REAL ESTATE: PARCEL 1: LOTS 1 TO 24 BOTH INCLUSIVE AND LOT 42 (EXCEPT THE SOUTH 16 FEET THEREOF PREVIOUSLY DEDICATED FOR PUBLIC ALLEY) AND LOTS 43 TO 48 BOTH INCLUSIVE, ALSO THE VACATED ALLEY LYING EAST OF AND ADJOINING LOTS 1 TO 6 INCLUSIVE AFORESAID AND THE NORTH 9 FEET OF LOT 7 AFORESAID AND WEST OF AND ADJOINING THE NORTH 9 FEET OF LOT 42 AFORESAID AND ALL OF LOTS 43 TO 48 AFORESAID BOTH INCLUSIVE, ALL IN BLOCK 1 IN BAXTER'S SUBDIVISION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM OWNERSHIP, RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS, AS DOCUMENT NUMBER 87-333507, AS AMENDED FROM TIME TO TIME; TOGETHER WITH ITS UNDIVIDED INTEREST IN THE COMMON ELEMENTS, AS SET FORTH IN SAID DECLARATION.

Common Address: 3351B North Racine Avenue  
Chicago, Illinois 60657

Property Index Number: 14-20-414-001  
Volume 485

#### PARCEL 2

UNIT 3351C IN HAWTHORNE COURT TOWNHOME CONDOMINIUM AS DELINEATED ON THE PLAT OF SURVEY OF THE FOLLOWING DESCRIBED TRACT OF REAL ESTATE: Parcel 1: LOTS 1 TO 24 BOTH INCLUSIVE AND LOT 42 (EXCEPT THE SOUTH 16 FEET THEREOF PREVIOUSLY DEDICATED FOR PUBLIC ALLEY) AND LOTS 43 TO 48 BOTH INCLUSIVE, ALSO THE VACATED ALLEY LYING EAST OF AND ADJOINING LOTS 1 TO 6 INCLUSIVE AFORESAID AND THE NORTH 9 FEET OF LOT 7 AFORESAID AND WEST OF AND ADJOINING THE NORTH 9 FEET OF LOT 42 AFORESAID AND ALL OF LOTS 43 TO 48 AFORESAID BOTH INCLUSIVE, ALL IN BLOCK 1 IN BAXTER'S SUBDIVISION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM OWNERSHIP, RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS, AS DOCUMENT NUMBER 87-333507, AS AMENDED FROM TIME TO TIME; TOGETHER WITH ITS UNDIVIDED INTEREST IN THE COMMON ELEMENTS, AS SET FORTH IN SAID DECLARATION.

Common Address: 3351C North Racine Avenue  
Chicago, Illinois 60657

Property Index Number: 14-20-414-001 M  
Volume 485

88123837

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## EXHIBIT 2

### LEGAL DESCRIPTION

#### PARCEL 3

UNIT 3355 IN HAWTHORNE COURT TOWNHOME CONDOMINIUM AS DELINEATED ON THE PLAT OF SURVEY OF THE FOLLOWING DESCRIBED TRACT OF REAL ESTATE: PARCEL 1; LOTS 1 TO 24 BOTH INCLUSIVE AND LOT 42 (EXCEPT THE SOUTH 16 FEET THEREOF PREVIOUSLY DEDICATED FOR PUBLIC ALLEY) AND LOTS 43 TO 48 BOTH INCLUSIVE, ALSO THE VACATED ALLEY LYING EAST OF AND ADJOINING LOTS 1 TO 6 INCLUSIVE AFORESAID AND THE NORTH 9 FEET OF LOT 7 AFORESAID AND WEST OF AND ADJOINING THE NORTH 9 FEET OF LOT 42 AFORESAID AND ALL OF LOTS 43 TO 48 AFORESAID BOTH INCLUSIVE, ALL IN BLOCK 1 IN BAXTER'S SUBDIVISION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; WHICH SURVEY IS ATTACHED AS EXHIBIT 'A' TO THE DECLARATION OF CONDOMINIUM OWNERSHIP, RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS, AS DOCUMENT NUMBER 87-333507, AS AMENDED FROM TIME TO TIME; TOGETHER WITH ITS UNDIVIDED INTEREST IN THE COMMON ELEMENTS, AS SET FORTH IN SAID DECLARATION.

Common Address: 3355 North Racine Avenue  
Chicago, Illinois 60657

Property Index Number: 14-20-414-00  
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#### PARCEL 4

UNIT 1145 IN HAWTHORNE COURT TOWNHOME CONDOMINIUM AS DELINEATED ON THE PLAT OF SURVEY OF THE FOLLOWING DESCRIBED TRACT OF REAL ESTATE: PARCEL 1; LOTS 1 AND 24 BOTH INCLUSIVE AND LOT 42 (EXCEPT THE SOUTH 16 FEET THEREOF PREVIOUSLY DEDICATED FOR PUBLIC ALLEY) AND LOTS 43 TO 48 BOTH INCLUSIVE, ALSO THE VACATED ALLEY LYING EAST OF AND ADJOINING LOTS 1 TO 6 INCLUSIVE AFORESAID AND THE NORTH 9 FEET OF LOT 7 AFORESAID AND WEST OF AND ADJOINING THE NORTH 9 FEET OF LOT 42 AFORESAID AND ALL OF LOTS 43 TO 48 AFORESAID BOTH INCLUSIVE, ALL IN BLOCK 1 IN BAXTER'S SUBDIVISION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; WHICH SURVEY IS ATTACHED AS EXHIBIT 'A' TO THE DECLARATION OF CONDOMINIUM OWNERSHIP, RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS, AS DOCUMENT NUMBER 87-333507, AS AMENDED FROM TIME TO TIME; TOGETHER WITH ITS UNDIVIDED INTEREST IN THE COMMON ELEMENTS, AS SET FORTH IN SAID DECLARATION.

Common Address: 1145 West Roscoe Street  
Chicago, Illinois 60657

Property Index Number: 14-20-414-001  
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## EXHIBIT 2

### LEGAL DESCRIPTION

PARCEL 5

UNIT 1157 IN HAWTHORNE COURT TOWNHOME CONDOMINIUM AS DELINEATED ON THE PLAT OF SURVEY OF THE FOLLOWING DESCRIBED TRACT OF REAL ESTATE: PARCEL 1: LOTS 1 TO 24 BOTH INCLUSIVE AND LOT 42 (EXCEPT THE SOUTH 16 FEET THEREOF PREVIOUSLY DEDICATED FOR PUBLIC ALLEY) AND LOTS 43 TO 48 BOTH INCLUSIVE, ALSO THE VACATED ALLEY LYING EAST OF AND ADJOINING LOTS 1 TO 6 INCLUSIVE AFORESAID AND THE NORTH 9 FEET OF LOT 7 AFORESAID AND WEST OF AND ADJOINING THE NORTH 9 FEET OF LOT 42 AFORESAID AND ALL OF LOTS 43 TO 48 AFORESAID BOTH INCLUSIVE, ALL IN BLOCK 1 IN BAXTER'S SUBDIVISION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; WHICH SURVEY IS ATTACHED AS EXHIBIT 'A' TO THE DECLARATION OF CONDOMINIUM OWNERSHIP, RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS, AS DOCUMENT NUMBER 87-333507, AS AMENDED FROM TIME TO TIME; TOGETHER WITH ITS UNDIVIDED INTEREST IN THE COMMON ELEMENTS, AS SET FORTH IN SAID DECLARATION.

Common Address: 1157 West Roscoe Street  
Chicago, Illinois 60657

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## EXHIBIT 3

Mortgagor/Debtor: Affiliated Bank/North Shore National under Trust No. 957 dated 1-1-88

Secured Party: Affiliated Bank/North Shore National

### DESCRIPTION OF COLLATERAL

All of the following property now or at any time hereafter owned by Mortgagor/Debtor (hereinafter referred to from time to time as "Debtor") or in which the Mortgagor/Debtor may now or at any time hereafter have any interest or rights, together with all of Mortgagor/Debtor's rights, title and interest therein and thereto:

1. All machinery, apparatus, equipment, inventory, fittings, fixtures, appliances, furnishings, supplies and articles of personal property of every kind and nature whatsoever, including, but not limited to, any for the purpose of supplying or distributing heat, light, air, power, water, ventilation, air conditioning or refrigeration (whether single units or centrally controlled), all screens, screen doors, storm windows, storm doors, shades, awnings, gas and electric fixtures and equipment, fans, radiators, heaters, engines, machinery, boilers, ranges, furniture, motors, sinks, bathtubs, carpets, floor coverings, windows shades, drapes, furnaces, stokers, conduits, switchboards, pipes, tanks, lifting equipment, fire control or fire extinguishing apparatus or equipment, ducts, compressors, pumps, furniture and furnishings, located on or affixed to, attached to, incorporated in, or placed upon the "Premises" (as described in Exhibit 2) or in any building or improvements now located thereon or hereafter located thereon, except for any of the foregoing items of property which are owned by any tenant of any such building or improvement and which, according to the terms of any applicable lease, may be removed by such tenant at the expiration or termination of said lease.

2. All equipment, material, inventory and supplies wherever located and whether in the possession of the Debtor or any third party, intended or prepared for use in connection with the construction of, incorporation into or affixment to the Property or any building or improvement being, or to be, constructed upon the Property, including, without limitation, all lumber, masonry, steel and metal (assembled, fabricated or otherwise), in the possession of any third party intended or designated for incorporation into or affixment to any such building or improvement.

3. Any and all contracts and agreements for construction, construction supervision, architectural services, maintenance, management, operation, marketing, leasing and other professional services pertaining to the Property heretofore or hereafter entered by Debtor or Trustee, including any subcontracts, material supply contracts, and including all of Debtor's or Trustee's rights to receive services, work, materials, supplies and other goods thereunder, claims and rights with respect to non-performance or breach of such contracts and agreements, including rights under any payment and performance bond(s) issued to Debtor or Trustee and/or said contractor(s), and all plans and specifications, drawings, models and work product relating to the buildings and other improvements intended to be undertaken on the Property pursuant to the Loan Documents.

4. Any and all accounts, chattel paper and general intangibles, now or hereafter acquired, as those terms are defined in the Uniform Commercial Code, including but not limited to, all of the Debtor's or Trustee's right, title and interest in, to and under any contracts, leases, licenses or other agreements of any kind entered into by Debtor or Trustee in connection with the ownership, construction, maintenance, use, operation, leasing or marketing of the Property, including but not limited to any escrow, franchise, warranty, service, management, operation, equipment or concession contract, agreement or lease, and end-loan commitment, including all of Debtor's or Trustee's rights to receive services or benefits and claims and rights to receive services or benefits and claims and rights with respect to non-performance or breach thereunder.

5. All governmental or administrative permits, licenses, certificates, consents and approvals relating to the Property or any building or improvements thereon or to be constructed or made thereon.

6. All proceeds of or any payments due to or for the account of Debtor or Trustee under any policy of insurance (or similar agreement) insuring, covering or payable upon loss, damage, destruction or other casualty or occurrence of or with respect to any of the foregoing described Collateral, the Property or any building or improvement now or hereafter located on the Property, whether or not such policy or agreement is owned or was provided by Debtor or names Debtor or Secured Party as beneficiary or loss payee and all refunds of unearned premiums payable to Debtor or Trustee on or with respect to any such policies or agreements.

7. Any and all proceeds or rights to proceeds arising out of any condemnation or exercise of right of eminent domain pertaining to the Property or any building or improvement now or hereafter located on the Property.

8. All proceeds of, substitutions and replacements for accessions to and products of any of the foregoing in whatever form, including, without limitation, cash, checks, drafts and other instruments for the payment of money (whether intended as payment or credit items), chattel paper, security agreements, documents of title and all other documents and instruments.

DEPT-01 RECORDING \$24.60  
TR222 TRAN 7606 03/25/88 14:45:00  
#349 # 1 1-88-123837  
COOK COUNTY RECORDER

88123837

88123837

ABE

11/87

26 Mail