

UNOFFICIAL COPY

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MORTGAGE, ASSIGNMENT OF LEASES & SECURITY AGREEMENT

THIS MORTGAGE, (the "Mortgage") is made as of August 3, 1988 by and between GREGORY STYS and LORRIE STYS, his wife (the "Mortgagor", and if there is more than one Mortgagor, Mortgagors shall be collectively referred to as "Mortgagor") whose mailing address is 1220 N. Depor Street, Glenview, IL 60025 and AFFILIATED ASSET-BASED LENDING SERVICES, INC (the "Mortgagee"), whose office is located at: 8700 N. Waukegan Road, Morton Grove, IL 60053 AGENT

WITNESS:

That the Mortgagors have this day, jointly and severally, executed and delivered to the Mortgagee their Promissory Collateral Installment Note of even date herewith payable to the order of the Mortgagee in the amount of FOUR HUNDRED FORTY EIGHT THOUSAND AND NO/100 (\$448,000.00) Dollars as follows: TWO THOUSAND FIVE HUNDRED AND NO/100 (\$2,500.00) Dollars on the first day of each and every month for fifty nine (59) months beginning September 1, 1988 with a final principal payment of THREE HUNDRED THOUSAND FIVE HUNDRED AND NO/100 (\$300,500.00) Dollars due on the first of August, 1993, plus interest on the unpaid principal balance remaining from time to time at the rate of 11 1/2% per annum, said interest to be computed on a 360 day year and to be payable on the first day of each month beginning September 1, 1988, payable at the office of the payee in Morton Grove, Illinois or at such other place as the legal holder may from time to time appoint.

CITY SUBURBAN TITLE COMPANY

DEPT-01 RECORDING \$22.00  
T#2222 TRAN 4118 08/12/88 11:06:00  
#3175 # B #-88-366496  
COOK COUNTY RECORDER

88366496

04 35 106 028 0000 04 35 107 002 0000 04 35 106 018 0000  
04 35 107 003 0000 04 35 107 001 0000 04 35 107 004 0000

Mail to

Document prepared by Daniel S. Tauman, 8700 N. Waukegan Road, Morton Grove, Illinois 60053.

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 "1" 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.

Box 241

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Mortgage shall: UNOFFICIAL COPY

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. Mortgageor 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 Mortgageor has notified Mortgagee in writing of the intention of the Mortgageor to contest the same, before any tax or assessment has been increased by any interest, penalties, or costs; and (c) that Mortgageor 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 Mortgageor, 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 Mortgageor, 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 Mortgageor 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 Mortgageor is not then in default hereunder, the Mortgagee shall, upon the final disposition of such contest and upon Mortgageor'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 Mortgageor.

(ii) Mortgageor 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 Mortgageor and are to be used for the payment of taxes and assessments (general and special) on the Premises next due and payable when they become due. If the funds so deposited are insufficient to pay any such taxes or assessments (general or special) when the same become due and payable, the Mortgageor shall, within ten (10) days after receipt of demand therefor from the Mortgagee, deposit such additional funds as may be necessary to pay such taxes and assessments (general and special) in full. If the funds so deposited exceed the amount required to pay such taxes and assessments (general and special) for any year, the excess shall be applied on a subsequent deposit or deposits. Said deposits need not be kept separate and apart from any other funds of the Mortgagee.

Anything in this paragraph (ii) to the contrary notwithstanding, if the funds so deposited are insufficient to pay any such taxes or assessments (general or special) or any installment thereof, Mortgageor will, not later than the thirtieth (30th) day prior to the last day on which the same may be paid without penalty or interest, deposit with the Mortgagee the full amount of any such deficiency.

If any such taxes or assessments (general or special) shall be levied, charged, assessed or imposed upon or for the Premises, or any portion thereof, and if such taxes or assessments shall also be a levy, charge, assessments or imposition upon or for any other Premises not encumbered by the lien of this Mortgage, then the computation of any amount to be deposited under paragraph (ii) shall be based upon the entire amount of such taxes or assessments, and Mortgageor shall not have the right to apportion the amount of any such taxes or assessments for the purposes of such computation.

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, and to pay promptly, when due, any premiums on such insurance, provided, however, Mortgagee may make such payments on behalf of Mortgageor. All insurance shall be in the form and content as reasonably approved by the Mortgagee (which shall be carried in companies reasonably acceptable to Mortgagee) and the policies and renewals marked "PAID" shall be delivered to the Mortgagee at least thirty (30) days before the expiration of the old policies and shall have attached thereto standard noncontributing mortgage clause(s) in favor of and entitling Mortgagee to collect any and all of the proceeds payable under all such insurance, as well as standard waiver of subrogation endorsement, if available. Mortgageor shall not carry separate insurance, concurrent in kind or form and contributing in the event of loss, with any insurance required hereunder. In the event of any casualty loss, Mortgageor will give immediate notice by mail to the Mortgagee.

(ii) Liability and Business Interruption Insurance. Carry and maintain comprehensive public liability insurance and business interruption (or loss of rentals) insurance as may be required from time to time by the Mortgagee in forms, amounts, and with companies reasonably satisfactory to the Mortgagee. Such liability policy and business interruption insurance shall name Mortgagee as an additional insured party hereunder. Certificates of such insurance, premiums prepaid, shall be deposited with the Mortgagee and shall contain provision for thirty (30) days' notice to the Mortgagee prior to cancellation thereof.

(iii) Insurance Deposit. The Mortgageor 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 and in addition to the deposits for general and special taxes a sum equal to the premiums that will next become due and payable on policies of fire, extended coverage and other hazard insurance, covering the mortgaged Premises, less all sums already paid therefor, divided by the number of months to elapse before one (1) month prior to the date when such insurance premiums will become due and payable, such sums to be held in trust without interest to pay said insurance premiums. If the Mortgageor defaults in so insuring the Premises, or in so assigning and delivering certified copies of the policies, the Mortgagee may, at the option of the Mortgagee, effect such insurance from year to year and pay the premium therefor, and the Mortgageor will reimburse the Mortgagee for any premiums so paid, with interest from time of payment at the default rate as set forth in the Mortgage Note on demand and the same shall be secured by this Mortgage.

(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 so to do, apply any monies at the time of deposit pursuant to paragraphs 1(B)(iii) and 1(C)(iii) hereof on any of Mortgageor's obligations contained herein or in the Mortgage Note, in such order and manner as the Mortgagee may elect. When the indebtedness has been fully paid, any remaining deposits shall be paid to Mortgageor or to the then owner or owners of the Premises as the same appear on the records of the Mortgagee. A security interest, within the meaning of the Uniform Commercial Code of the State in which the Premises are located, is hereby granted to the Mortgagee in and to all monies at any time on deposit pursuant to Paragraphs 1(B)(ii) and 1(C)(iii) hereof and such monies and all of Mortgageor's right, title and interest therein are hereby assigned to Mortgagee, all as additional security for the indebtedness hereunder and shall, in the absence of default hereunder, be applied by the Mortgagee for the purposes for which made hereunder and shall not be subject to the direction or control of the Mortgageor; provided, however, that the Mortgagee shall not be liable for any failure to apply to the payment of taxes or assessments or insurance premiums any amount so deposited unless Mortgageor, while not in default hereunder, shall have furnished Mortgagee with the bills therefor and requested Mortgagee, in writing, to make application of such funds to the payment of the particular taxes or assessments or insurance premiums for payment of which they were deposited, accompanied by the bills for such taxes or assessments or insurance premiums. Mortgagee shall not be liable for any act or omission taken in good faith, but only for its gross negligence or willful misconduct.

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

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(B) Furnishing of Financial Statements to Mortgagee. Mortgagee agrees that it will keep and maintain books and records of account in which full, true and correct entries shall be made of all dealings and transactions relative to the Premises, which books and records of account shall, at reasonable times and on reasonable notice, be open to the inspection of the Mortgagee and its accountants and other duly authorized representatives. Such books of record and account shall be kept and maintained in accordance with the generally accepted accounting principles consistently applied.

(C) Mortgagee covenants and agrees upon Mortgagee's request to furnish to the Mortgagee, within ninety (90) days following the end of every fiscal year applicable to the operation of the Premises, a copy of a report of the operations of the improvements on the Premises for the year then ended, to be certified by a general partner or the chief financial officer of Mortgagee, satisfactory to the Mortgagee, including a balance sheet and supporting schedules and containing a detailed statement of income and expenses. Each such certificate to each such annual report shall certify that the certifying party examined such records as were deemed necessary for such certification and that those statements are true and correct and complete.

5. ILLEGALITY OF TERMS HEREOF. Nothing herein or in the Mortgage Note contained nor any transaction related thereto shall be construed or shall so operate either presently or prospectively, (a) to require Mortgagee to pay interest at a rate greater than is now lawful in such case to contract for, but shall require payment of interest only to the extent of such lawful rate; or (b) to require Mortgagee to make any payment or do any act contrary to law, and if any clause and provision herein contained shall otherwise so operate to invalidate this Mortgage, in whole or in part, then such clause or provisions shall be held for naught as though not herein contained and the remainder of this Mortgage shall remain operative and in full force and effect, and Mortgagee shall be given a reasonable time to correct any such error.

6. SUBROGATION. In the event the proceeds of the loan made by the Mortgagee to the Mortgagee, or any part thereof, or any amount paid out or advanced by the Mortgagee, be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the Premises or any part thereof, then the Mortgagee shall be subrogated to such other lien or encumbrance and to any additional security held by the holder thereof and shall have the benefit of the priority of all of same.

7. EXECUTION OF SECURITY AGREEMENT AND FINANCING STATEMENT. Mortgagee, within five (5) days after request by mail, shall execute, acknowledge, and deliver to Mortgagee a Security Agreement, Financing Statement, or other similar security instrument, in form satisfactory to the Mortgagee, and reasonably satisfactory to Mortgagee and conforming to the terms hereof covering all property of any kind whatsoever owned by the Mortgagee, which, in the sole opinion of Mortgagee, is essential to the operation of the Premises and concerning which there may be any doubt as to whether the title to same has been conveyed by or a security interest therein perfected by this Mortgage under the laws of the State of Illinois and will further execute, acknowledge, and deliver any financing statement, affidavit, continuation statement, or certificate, or other documents as Mortgagee may request in order to perfect, preserve, maintain, continue, and extend the security instrument, and Mortgagee further agrees to pay Mortgagee, on demand, all costs and expenses incurred by Mortgagee in connection with the recording, filing, and refiling of any such document. This instrument is intended by the parties to be, and shall be construed as, a security agreement as that term is defined and used in Article 9 of the Illinois Uniform Commercial Code, as amended, and shall grant to the Mortgagee a security interest in that portion of the premises with respect to which a security interest can be granted under Article 9 of the Illinois Uniform Commercial Code, as amended, which security interest shall also include a security interest in the personally described in Exhibit 3 attached hereto and made a part hereof, a security interest in all other tangible and intangible personal property, including without limitation, to the extent of the Mortgagee's present or future interest, all licenses, permits and general intangibles now or hereafter 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 a life insurance policy 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 subject to the terms of and provisions of this Mortgage, to make or advance, in the place and stead of the Mortgagee, any payment, relating to taxes, assessments, water rates, sewer rentals, and other governmental or municipal charges, fines, 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, assessment, sale, forfeiture, tax lien, or claim of the Mortgagee, and the Mortgagee is further authorized to make or advance in the place and stead of the Mortgagee any payment relating to any appearance or threatened adverse title, lien, statement of lien, encumbrance, claim, or charge, or payment or otherwise relating to any other purpose herein and hereby authorized but not enumerated in this paragraph, and may do so whenever, in its reasonable judgment and discretion, such advance or payment seems necessary or desirable to protect the full security hereby provided to be created by this instrument, and, provided that, in connection with any such advance, Mortgagee, in its option, may and is hereby authorized to obtain a continuation report of title or title insurance policy prepared by a title insurance company of Mortgagee's choosing.

All such advances and indebtedness authorized by this paragraph shall be repayable by Mortgagee upon demand with interest at the Default Rate.

9. STAMP TAX; EFFECT OF CHANGES IN LAW REGARDING TAXATION. (A) If, by the laws of the United States of America or of any state or subdivision thereof having jurisdiction over the Mortgagee, any tax is due or becomes due in respect of the issuance of the Mortgage Note, the Mortgagee covenants and agrees to pay such tax in the manner required by any such law. The Mortgagee further covenants to reimburse the Mortgagee for any sums which Mortgagee may expend by reason of the imposition of any tax on the issuance of the Mortgage Note.

(B) In the event of the enactment, after this date, of any law of the state in which the Premises are located deducting from the value of the land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee an additional tax or any part of the taxes or 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 debts secured by mortgages or the Mortgagee's interest in the Premises, or in a 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 interest 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 beneficiary(ies) 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 example transaction under the Truth-in-Lending Act, 15 U.S.C., paragraph 1601 et seq., and this Mortgage Note and this Mortgage which is secured thereby are to be construed and governed by the laws of the State of Illinois and that the entire proceeds of the Mortgage Note shall be used for business purposes as defined in paragraph 6A04 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 if, at any time after default by the Mortgagee in the performance of any of the terms, covenants, or provisions of this Mortgage or the Mortgage Note, the Mortgagee shall employ for the duration of such default, as determined by the Mortgagee to be unsatisfactory, the Mortgagee shall employ for the duration of such default, as 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 (representations) and warrant(s)] to Mortgagee as of the date hereof and as of all dates hereafter that: (a) Ownership. Mortgagee owns the entire Premises (other than the lessee'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) Entire 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 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;







20. COMMITMENT LETTER. The indebtedness evidenced by the Mortgage Note and secured hereby has been extended to Mortgagee by Mortgagee pursuant to the terms of a Commitment Letter dated \_\_\_\_\_ 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 hereof.

23. CONSTRUCTION. Mortgagee does hereby acknowledge that all negotiations relative to the loan evidenced by the Mortgage Note, this Mortgage, and all other documents and instruments securing the Mortgage Note, look place in the State of Illinois. Mortgagee 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. In the event of any such loss or damage to the Premises, as described in paragraph 1(C)(ii) hereof, Mortgagee shall give immediate notice to Mortgagee, and the Mortgagee is authorized (a) to sell and adjust any claim under insurance policy(ies) which insure against such risks or (b) to allow Mortgagee 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 accept for any such money and Mortgagee is authorized to execute the points of loss on behalf of Mortgagee, 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 Mortgagee for repairing or restoring the Premises, provided that Mortgagee completes with each of the provisions specified in paragraph 24(B)(iii) through 24(B)(v) hereof, in which event the Mortgagee shall not be obligated 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 therefor shall occur unless Mortgagee 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, 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 the insurance, and any sums deposited by Mortgagee pursuant to the terms of subparagraph (iii) hereof, will be fully restored, free and clear of all mechanics' and materialmen'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, Mortgagee 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 Mortgagee to use such proceeds for the restoring of the improvements or in the event Mortgagee shall elect to permit Mortgagee 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 such restoration and

with architect's certificates, partial or full, waivers of lien, as the case may be, contractor's 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 shall be made prior to the 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 undistributed 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 Mortgagee, in and to any insurance policies then in force, and any claims or proceeds thereunder shall in the event of the indebtedness, pass to the Mortgagee or any purchaser or grantee.

(2) In the event that Mortgagee elects to make available to the Mortgagee the proceeds of any award for eminent domain to restore any improvements on the Premises, no disbursement therefor shall occur unless Mortgagee 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, 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 the insurance, and any sums deposited by Mortgagee pursuant to the terms of subparagraph (iii) hereof, will be fully restored, free and clear of all mechanics' and materialmen'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, Mortgagee shall deposit promptly with Mortgagee funds which, together with the insurance proceeds, would be sufficient to restore the improvements.

(iv) The rental income to be derived from the improvements, subsequent to such restoring of the improvements, shall not adversely affect the Mortgagee's ability to pay the indebtedness evidenced by the Mortgage Note;

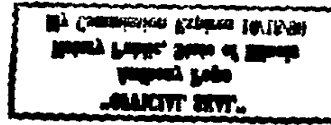
(v) The disbursement of the award will be made according to those provisions of paragraph 24 which relate to the disbursement of insurance proceeds for repair and restoration of the improvements and the conditions precedent to be satisfied by the Mortgagee with regard thereto;

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2011-11-22







Property of Cook County Clerk's Office

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## EXHIBIT 1

### LEGAL DESCRIPTION

PARCEL 1:

PARCEL A:

LOTS 9, 10, 11 AND 12

AND

PARCEL B:

LOTS 13, 14 AND 15, (EXCEPT THOSE PORTIONS OF SAID LOTS LYING IN THE FOLLOWING TRACT OF LAND:

BEGINNING AT THE SOUTH WEST CORNER OF LOT 15 AFORESAID, THENCE NORTHERLY ALONG THE WEST BOUNDARY LOTS 15, 14, AND 13 AFORESAID, A DISTANCE OF 161.37 FEET TO THE NORTH WEST CORNER OF LOT 13 AFORESAID (SAID WESTERN BOUNDARY OF LOTS 15, 14 AND 13, BEING THE NORTHEASTERLY LINE OF THE PRESENT RIGHT OF WAY OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD) THENCE SOUTHEASTERLY ON A STRAIGHT LINE A DISTANCE OF 172.2 FEET MORE OR LESS TO A POINT ON THE SOUTH LINE OF SAID LOT 15 AFORESAID DISTANT 26.9 FEET EAST OF THE SOUTH WEST CORNER OF LOT 15 AFORESAID; THENCE WEST ALONG SAID SOUTH LINE OF LOT 15 A DISTANCE OF 26.9 FEET TO THE POINT OF BEGINNING

AND

ALL OF LOTS 16, 17 AND 18,

ALL IN C. D. RUGEN'S SUBDIVISION OF PART OF THE NORTH WEST 1/4 OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN

PARCEL 2:

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THAT PART OF LOTS 13, 14, AND 15 IN C. D. RUGEN'S SUBDIVISION IN SECTION 35, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH WEST CORNER OF LOT 15 AFORESAID, THENCE NORTHERLY ALONG THE WESTERLY BOUNDARY OF SAID LOTS 13, 14, AND 15 A DISTANCE OF 161.48 FEET TO THE NORTH WEST CORNER OF SAID LOT 13 (SAID WESTERLY BOUNDARY OF LOTS 13, 14, AND 15 BEING THE NORTHEASTERLY LINE OF THE PRESENT RIGHT OF WAY OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY) THENCE SOUTHEASTERLY IN A STRAIGHT LINE A DISTANCE OF 172.00 FEET MORE OR LESS (173.31 FEET CALC.) TO A POINT ON THE SOUTH LINE OF SAID LOT 15 DISTANCE 26.70 FEET, EAST OF THE SOUTH WEST CORNER OF SAID LOT 15; THENCE ALONG SAID SOUTH LINE OF LOT 15 A DISTANCE OF 26.90 FEET TO THE PLACE OF BEGINNING

PARCEL 3:

ALL THAT PART OF THE SOUTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING ON THE WESTERLY LINE OF LOT 18 IN THE SAID C. D. RUGEN'S SUBDIVISION, 161.37 FEET SOUTHERLY OF THE NORTHWESTERLY CORNER OF LOT 16 IN SAID C. D. RUGEN'S SUBDIVISION (THE WESTERLY BOUNDARY OF SAID LOTS BEING THE EASTERLY BOUNDARY LINE OF THE STATION GROUNDS OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY); THENCE SOUTHEASTERLY ALONG THE WESTERLY LINE OF SAID LOT 18, 31.54 FEET TO THE SOUTH WEST CORNER OF SAID LOT 18, THENCE SOUTHWESTERLY AT RIGHT ANGLES TO THE CENTERLINE OF THE RIGHT OF WAY OF SAID CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, A DISTANCE OF 50.00 FEET TO A LINE 50.00 FEET NORTHEASTERLY OF AND PARALLEL WITH THE CENTERLINE OF SAID RIGHT OF WAY, THENCE NORTHWESTERLY 138.49 FEET TO A POINT 49.0 FEET NORTHEASTERLY OF SAID CENTERLINE (AS MEASURED AT RIGHT ANGLES TO SAID CENTERLINE); THENCE NORTHWESTERLY 74.47 FEET TO THE SOUTH WEST CORNER OF SAID LOT 15; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 15, 27.01 FEET TO A POINT ON SAID SOUTH LINE OF LOT 15, 26.90 FEET WEST OF THE NORTH WEST CORNER OF LOT 16 AFORESAID; THENCE SOUTHWESTERLY 172.20 FEET MORE OR LESS (173.15 CALC.) TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Commonly known as 1220 and 1221 North Depot Street, Glenview, Illinois 60025

P.I.N. #04-35-106-028-0000

#04-35-106-018-0000

#04-35-107-001-0000

#04-35-107-002-0000

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PARCEL 4

THAT PART OF THE SOUTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 35,  
TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN  
DESCRIBED AS FOLLOWS:

STARTING AT THE POINT WHERE THE NORTH LINE OF SAID QUARTER QUARTER  
SECTION INTERSECTS THE EASTERLY BOUNDARY LINE OF THE STATION GROUND OF  
THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD AS GRANTED BY  
DEED FROM SARAH HUTCHINGS TO THE CHICAGO, MILWAUKEE, AND ST. PAUL  
RAILWAY COMPANY, CORPORATION OF ILLINOIS, BY DEED RECORDED MARCH 23,  
1882 AS DOCUMENT NUMBER 382989, BEING THE WESTERLY LINE OF LOTS 16, 17,  
AND 18 IN RUGEN'S SUBDIVISION OF PART OF THE NORTH WEST 1/4 OF SAID  
SECTION 35, THENCE SOUTHERLY ALONG SAID BOUNDARY LINE 161.37 FEET,  
THENCE NORTHWESTERLY ON A STRAIGHT LINE 172.2 FEET MORE OR LESS TO A  
POINT IN THE NORTH LINE OF SAID SOUTH WEST 1/4 OF THE NORTH WEST 1/4  
26.90 FEET WEST OF THE POINT OF BEGINNING THENCE EASTERLY ALONG SAID  
NORTH LINE 26.9 FEET TO THE POINT OF BEGINNING CONTAINING 2,047.7  
SQUARE FEET MORE OR LESS IN COOK COUNTY, ILLINOIS.

permanent index number: 04-35-106-029

COOK County Clerk's Office  
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EXHIBIT 2

Mortgagor/Debtor: GREGORY STYS and LORRIE STYS

Secured Party: AFFILIATED ASSET-BASED LENDING SERVICES, INC., AGENT

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 subcontract, 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.

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