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MAIL TO

First Federal Savings Bank  
633 LaSalle Street  
Ottawa, IL 61350

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10/23/90

DEPT-91 RECORDING \$39.50

TRUST TRANS 7145 11:01-90 14 49:00

MORTGAGE, SECURITY AGREEMENT  
AND FINANCING STATEMENT

COOK COUNTY RECORDER

THIS MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT (the "Mortgage") is made as of October 26, 1990 by and between Joseph C. Jacob and Annie C. Jacob, Husband and Wife (the "Mortgagor"), whose mailing address is 8146 North Kedvale, Skokie, Illinois 60076 and First Federal Savings Bank, (The "Mortgagee"), whose mailing address is 633 LaSalle Street, Ottawa, Illinois 61350.

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RECITALS:

Mortgagee has agreed to lend to Mortgagor an amount equal to One Hundred Seventy-one Thousand and Seven Hundred Dollars (\$171,700.00) evidenced by that certain Note in the principal amount of \$171,700.00 dated as of even date herewith. This Mortgage is given to secure the debt outstanding as of the date hereof under the Note.

NOW, THEREFORE, the Mortgagor, to secure the payment of said principal sum of money and said interest and late charges in accordance with the terms, provisions and limitations of this Mortgage and of the Note, and the performance of the covenants and agreements herein contained by the Mortgagor to be performed, and also in consideration of the sum of ONE DOLLAR (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents MORTGAGE, GRANT, RENISE, RELEASE, ALIEN AND CONVEY unto the Mortgagee and its successors and assigns, the real estate and all of its present and hereafter-acquired estate, right, title and interest therein, situated, lying and being in the County of Cook and State of Illinois which is legally described in Exhibit A hereto.

TOGETHER with all improvements, tenements, reversion, remainders, easements, fixtures and appurtenances now or hereafter thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily); all tenant security deposits, utility deposits and insurance premium rebates to which Mortgagor may be entitled or which Mortgagor may be holding; and all fixtures, apparatus, equipment and articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light power, sprinkler protection, waste removal, refrigeration and ventilation (whether single units or centrally controlled) including (without restricting the foregoing); all fixtures, apparatus, equipment and articles (other than trade

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fixtures used in the operation of a business and other than inventories held for sale) which relate to the use, occupancy and enjoyment of the Premises, it being understood that the enumeration of any specific articles of property shall in no way exclude or be held to exclude any items of property not specifically mentioned. All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared (to the maximum extent permitted by law) to form part and parcel of the real estate and to be appropriated to the use of the real estate (herein, the "Premises"), and shall be, for the purposes of this Mortgage, deemed to be real estate and conveyed and mortgaged hereby.

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

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Maintenance/Liens. Mortgagor 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 constantly in good condition and repair, without waste; (c) keep the Premises free from mechanics' liens or other liens or claims for lien not expressly subordinated to the lien hereof (collectively called the "Lien"), subject, however, to the rights of the Mortgagor herein; (d) immediately pay when due any indebtedness which may be secured by a lien or charge on the Premises on a parity with or superior to the lien hereof (no such lien to be permitted hereunder), and upon request exhibit satisfactory evidence of the discharge of such lien (or bond to secure payment of such lien, in the event that Borrower contests the lien) to Mortgagee; (e) complete within a reasonable time any building or other improvement now or at any time in process of erection upon the Premises; (f) comply with all federal, state and local requirements of law, regulations, ordinances, orders and judgments and all covenants, easements and restrictions of record with respect to the Premises and the use thereof; (g) make no alterations in the Premises without Mortgagee's prior written consent; (h) suffer or permit no change in the general nature of the occupancy of the Premises without Mortgagee's prior written consent; (j) observe and comply with all reasonable conditions and requirements (if any) necessary to preserve and extend all rights, easements, licenses, permits (including without limitation zoning variations and any non-conforming uses and structures), privileges, franchises and concessions applicable to the Premises or contracted for in connection with any present or future use of the Premises; and (k) pay each item of Indebtedness secured by this Mortgage when due (subject to any applicable grace period)

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according to the terms hereof and of the Note. As used in this Paragraph 1 and elsewhere in this Mortgage, the term "Indebtedness" means and includes the unpaid principal sum evidenced by the Note, together with all interest, additional interest, late charges and prepayment premiums thereon, and all other sums at any time secured by this Mortgage. Anything in Subparagraphs (c) and (d) of this Paragraph to the contrary notwithstanding, Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any Lien not expressly subordinated to the lien hereof, and defer payment and discharge thereof during the pending of such contest, provided: (i) that such contest shall have the effect of preventing the sale or forfeiture of the Premises or any part thereof, or any interest therein, to satisfy such Lien; (ii) that, within ten (10) days after Mortgagor has been notified of the assertion of such Lien, Mortgagor shall have notified Mortgagee in writing of Mortgagor's intention to contest such Lien; and (iii) that Mortgagor shall have deposited with Mortgagee at such place as Mortgagee may from time to time in writing appoint, and in the absence of such appointment, then at the office of Mortgagee a sum of money which shall be sufficient in the judgment of Mortgagee to pay in full such Lien and all interest which might become due thereon, and shall keep on deposit an amount so sufficient at all times, increasing such amount to cover additional interest whenever, in the judgment of Mortgagee, such increase is advisable. Such deposits are to be held without any allowance of interest. If Mortgagor shall fail to prosecute such contest with reasonable diligence or shall fail to pay the amount of the Lien plus any interest finally determined to be due upon the conclusion of such contest, to the extent such amount exceeds the amount which Mortgagee will pay as provided below, or shall fail to maintain sufficient funds on deposit as hereinabove provided, Mortgagee may, at its option, apply the money so deposited in payment of or on account of such Lien, or that part thereof then unpaid, together with all interest thereon. If the amount of money so deposited shall be insufficient for the payment in full of such Lien, together with all interest thereon, Mortgagor shall forthwith, upon demand, deposit with Mortgagee a sum which, when added to the funds then on deposit, shall be sufficient to make such payment in full, Mortgagee shall, upon the final disposition of such contest, apply the money so deposited in full payment of such Lien or that part thereof then unpaid, together with all interest thereon (provided Mortgagor is not then in default hereunder) when so requested in writing by Mortgagor and when furnished by Mortgagor with sufficient funds to make such payment in full and with evidence satisfactory to Mortgagee of the amount of payment to be made.

2. Payment of Taxes. Mortgagor shall pay all general taxes before any penalty or interest attaches, and shall pay special taxes, special assessments, water charges, sewer service charges, and all other charges against the Premises of any nature whatsoever when due, and shall, upon written request, furnish to Mortgagee duplicate receipts therefor within thirty (30) days

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following the date of payment. Mortgagor shall pay in full "Under protest" any tax or assessment which Mortgagor may desire to contest, in the manner provided by law.

3. Deposits.

(a) Taxes. Mortgagor shall deposit with the Mortgagee as the Mortgagee may from time to time in writing appoint, and in the absence of such appointment, then at the office of 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 estimates 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 one month 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 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 Mortgagor 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 shall be kept separate and apart from any other funds of the Mortgagee. Anything in this Paragraph 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, Mortgagor 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, assessment 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 this Paragraph 3 shall be based upon the entire amount of such taxes or assessments, and Mortgagor shall not have the right to apportion the amount of any such taxes or assessments for the purposes of such computation.

(b) Insurance Premiums. For the purpose of providing funds with which to pay premiums when due on all policies of fire and other hazard insurance covering the Premises and the Collateral (defined below), Mortgagor shall deposit with the Mortgagee, commencing on the date of disbursement of the proceeds

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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 Mortgagee's estimate of the premiums that will next become due and payable on such policies reduced by the amount, if any, then on deposit with the Mortgagee, divided by the number of months to elapse before one (1) month prior to the date when such premiums become due and payable. No interest shall be allowed to Mortgagor on account of any deposit made hereunder and said deposit shall be kept separate and apart from any other funds of the Mortgagee.

4. Use of Deposits. 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 on deposit pursuant to Paragraph 3 on any of Mortgagor's obligations contained herein or in the 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 Mortgagor 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 Paragraph 3 and such monies and all of Mortgagor's right, title and interest therein are hereby assigned to the 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 Mortgagor; 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 Mortgagor, while not in default hereunder, shall have furnished the Mortgagee with the bills therefor and requested the Mortgagee or the Depository 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. The Mortgagee shall not be liable for any act or omission taken in good faith, but only for its gross negligence or willful misconduct.

5. Insurance.

(a) Mortgagor shall keep all buildings and improvements and the Collateral (defined in Paragraph 30 below) now or hereafter situated on said Premises insured (which during construction shall include insurance in builders risk form) against loss or damage by fire on a so-called "All Risks" basis and against such other hazards as may reasonably be required by the Mortgagee, including without limitation of the generality of the foregoing: (i) rent loss or business interruption insurance whenever in the opinion of the Mortgagee such protection is necessary; and (ii) flood insurance whenever same is available and, in the opinion of the Mortgagee, such protection is necessary. Mortgagor shall also

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provide insurance coverages with such limits for personal injury and death and property damage as Mortgagee may require. All policies of insurance to be furnished hereunder shall be in forms, companies and amounts satisfactory to Mortgagee, with waiver of subrogation and replacement cost endorsements and a standard non-contributory mortgagee clause attached to all policies, including a provision requiring that the coverages evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to the Mortgagee. Mortgagor shall deliver all original policies, including additional and renewal policies, to Mortgagee and, in the case of insurance about to expire, shall deliver renewal policies not less than thirty (30) days prior to their respective dates of expiration.

(b) Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a standard non-contributory mortgagee clause acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the original policy or policies of such insurance, or certificates evidencing such insurance. In the event of a foreclosure of the lien of this Mortgage, or of a transfer of title to the Premises either in lieu of foreclosure or by purchase at the foreclosure sale, all interest in all insurance policies in force shall pass to Mortgagee, transferee or purchaser, as the case may be.

(c) Within thirty (30) days following the end of each fiscal year of Mortgagor, at the request of the Mortgagee, Mortgagor agrees to furnish evidence of insurable value and of replacement cost, without cost to the Mortgagee, such as are regularly and ordinarily made by insurance companies to determine the then replacement cost and insurable value of the building(s) and other improvements on the Premises.

6. Loss Covered by Insurance. In case of loss or damage by fire or other casualty, Mortgagee is authorized: (a) to settle and adjust any claim under insurance policies 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 insurance monies. Such insurance proceeds may, at the option of the Mortgagee, be: (i) applied in reduction of the Indebtedness, whether due or not; (ii) held by the Mortgagee and applied to pay for the cost of repair, rebuilding or restoration of the buildings and other improvements on the Premises; or (iii) used to prepay, without premium or penalty, the Note or other indebtedness of Mortgagor to Mortgagee. If the Mortgagee elects to make said proceeds available to reimburse Mortgagor or any lessee for the cost of repair, rebuilding or restoration of buildings or other improvements on the Premises, such proceeds shall be made available in the manner and under the

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reasonable conditions that the Mortgagee may require. Mortgagor shall on demand deposit with Mortgagee any sums necessary to make up any deficits between the actual cost of the work and the proceeds and provide such lien waivers and completion bonds as Mortgagee may reasonably require. In any event, the buildings and other improvements shall be so repaired, restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. Any surplus which may remain after payment of all costs of restoration or repair may at the option of the Mortgagee be applied on account of the indebtedness secured hereby then most remotely to be paid, whether due or not, without application of any prepayment premium or shall be returned to Mortgagor as its interest may appear, the choice of application to be solely at the discretion of Mortgagee.

7. Stamp Tax. If, by the laws of the United States of America or of any state or subdivision thereof having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the issuance of the Note, the Mortgagor covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor 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 Note. 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 the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, 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 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 Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments or reimburse the Mortgagee therefor.

8. Assignment of Leases.

(a) As additional security for the payment of the Note and for the faithful performance of the terms and conditions contained herein, Mortgagor and its beneficiary or beneficiaries have assigned to the Mortgagee all of their right, title and interest as landlord, if any, and all future leases of the Premises. All leases of the Premises are subject to the approval of the Mortgagee as to form, content and tenant.

(b) Mortgagor will not, without Mortgagee's prior written consent: (i) execute any assignment or pledge of any rents or any leases of the Premises except an assignment or pledge securing the Indebtedness; or (ii) accept any payment of any installment of rent more than thirty (30) days before the due date thereof; or (iii) make any lease of the Premises except for actual occupancy by the tenant thereunder.

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(c) Mortgagor at its sole cost and expense will: (i) at all times promptly and materially abide by, discharge and perform all of the covenants, conditions and agreements contained in all leases of the Premises, on the part of the landlord thereunder to be kept and performed; (ii) materially enforce or secure the performance of all of the covenants, conditions and agreements of such leases on the part of the tenants to be kept and performed; (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with such leases or the obligations, duties or liabilities of the landlord or of any tenants thereunder; (iv) furnish Mortgagee, on a monthly basis, a written statement containing the names of all tenants and the terms of all leases of the Premises, including the spaces occupied and the rentals payable thereunder; and (v) exercise within ten (10) days of any demand therefor by Mortgagee any right to request from the tenant under any lease of the Premises a certificate with respect to the status thereof.

(d) Nothing in this Mortgage or in any other documents relating to the loan secured hereby shall be construed to obligate Mortgagee expressly or by implication, to perform any of the covenants of any landlord under any of the leases assigned to Mortgagee or to pay any sum of money or damages therein provided to be paid by the landlord, each and all of which covenants and payments Mortgagor agrees to perform and pay or cause to be performed and paid.

(e) At the option of the Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in eminent domain), to any one or more leases affecting any part of the Premises, upon the execution by Mortgagee and recording or registration thereof, at any time hereafter, in the office wherein this Mortgage was registered or filed for record, of a unilateral declaration to that effect.

(f) In the event of the enforcement by Mortgagee of any remedies provided for by law or by this Mortgage, the tenant under each lease of the Premises shall, at the option of the Mortgagee, attorn to any person succeeding to the interest of landlord as a result of such enforcement and shall recognize such successor in interest as landlord under such lease without change in the terms or other provisions thereof; provided, however, that said successor in interest shall not be bound by any payment of rent or additional rent for more than one month in advance or any amendment or modification to any lease made without the consent of Mortgagee or said successor in interest. Each tenant, upon request by said successor in interest, shall execute and deliver an instrument or instruments confirming such attornment.

9. Actions by Mortgagee/No Release. From time to time Mortgagee may, at Mortgagee's option, without giving notice to or

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obtaining the consent of Mortgagor or Mortgagor's successors or assigns or the consent of any junior lien holder, guarantor or tenant, without liability on Mortgagee's part and notwithstanding Mortgagor's breach of any covenant, agreement or condition; (a) release anyone primarily or secondarily liable on any of the Indebtedness; (b) accept a renewal note or notes therefor; (c) release from the lien of this Mortgage any part of the Premises; (d) take or release other or additional security for the Indebtedness; (e) consent to any plat, map or plan of the Premises; (f) consent to the granting of any easement; (g) join in any extension or subordination agreement; (h) agree in writing with Mortgagor to modify the rate of interest or period of amortization of the Note or change the time of payment or the amount of the monthly installments payable thereunder; and (i) waive or fail to exercise any right, power or remedy granted by law or herein or in any other instrument given at any time to evidence or secure the payment of the Indebtedness. Any actions taken by Mortgagee pursuant to the terms of this Paragraph 9 shall not impair or affect: (a) the obligation of Mortgagor or Mortgagor's successors or assigns to pay any sums at any time secured by this Mortgage and to observe all of the covenants, agreements and conditions herein contained; (b) the guaranty of any individual or legal entity for payment of the Indebtedness; and (c) the lien or priority of the lien hereof against the Premises.

10. Mortgagee's Performance of Defaulted Acts. In case of default herein, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner Mortgagee deems expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said Premises or contest any tax or assessment or cure any default of any landlord in any lease of the Premises. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee in regard to any tax referred to in Paragraph 7 or to protect the Premises or the lien hereof, shall be so much additional Indebtedness secured hereby, whether or not the Indebtedness, as a result thereof, shall exceed the face amount of the Note, and shall become immediately due and payable without notice and with interest thereon at the rate of interest set forth in the Note applicable to a period when a default exists thereunder. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor. Nothing contained herein shall be construed to require Mortgagee to advance or expend monies for any purpose.

11. Reliance on Bills. Mortgagee in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of

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such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

12. Events of Default. The following shall constitute Events of Default hereunder: (a) default be made in the due and punctual payment of principal or interest on the Note, or any other payment due in accordance with the terms thereof (subject to any applicable grace period); or (b) the Mortgagor or any beneficiary thereof shall fail to perform promptly any other covenant, term, agreement or provision required to be performed or observed according to the terms and provisions of the Note, this Mortgage, any other Document Securing the Note or the Additional Security Instruments; (c) the Mortgagor or any beneficiary thereof shall file (i) a petition for liquidation, reorganization or adjustment of debt under Title 11 of the United States Code (11 U.S.C. §§ 101 et seq.) or any similar law, state or federal, whether now or hereafter existing, or (ii) any answer admitting insolvency or inability to pay its debts, or (iii) fail to obtain a vacation or stay of involuntary proceedings within sixty (60) days, as hereinafter provided; or (d) any order for relief of the Mortgagor or any beneficiary thereof or any guarantor of the Note shall be entered in any case under Title 11 of the United States Code, or a trustee or a receiver shall be appointed for the Mortgagor or for any beneficiary thereof or for any guarantor of the Note, or for all or the major part of the property of Mortgagor or for any beneficiary thereof or for any guarantor of the Note in any voluntary or involuntary proceedings, or any court shall have taken jurisdiction of all or the major part of the property of the Mortgagor in any voluntary or involuntary proceedings for the reorganization, dissolution, liquidation, adjustment of debt or winding up of the Mortgagor and such trustee or receiver shall not be discharged or such jurisdiction not be relinquished or vacated or stayed on appeal or otherwise stayed within sixty (60) days; or (e) the Mortgagor shall make an assignment for the benefits of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all or any major part of its property; or (f) material default shall be made in the due observance or performance of any other covenant, agreement or condition hereinbefore or hereinafter contained and required to be kept or performed or observed by the Mortgagor or its beneficiary.

13. Remedies. Upon the happening of any Event of Default and at any time thereafter without notice given to Mortgagor: (a) Mortgagee may declare the entire principal of the Note then outstanding (if not then due and payable), and all accrued and unpaid interest thereon, to be due and payable immediately, and upon any such declaration the principal of the Note and said accrued and unpaid interest shall become and be immediately due and payable, anything in the Note or in this Mortgage to the

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contrary notwithstanding; (b) Mortgagee may, without regard to the adequacy of the security for the indebtedness evidenced by the Note, enter into possession of and manage and operate by itself or through a Receiver, the Mortgaged Property and the Improvements and carry on the business thereof and exercise all rights and powers of Mortgagor with respect thereto either in the name of Mortgagor or otherwise as it shall deem best; and Mortgagee shall be entitled to make, enforce, modify, or accept surrender of the Leases, obtain or evict tenants, fix or modify rents, or sue for or otherwise collect and receive all earnings, revenues, rents, issues, profits, and income of the Mortgaged Property, the Improvements, the Leases or every part thereof, all of which shall for all purposes constitute property of Mortgagor; and after deducting the expenses of conducting replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and prior or other proper charges upon the Mortgaged Property, the Improvements, or any part thereof, as well as just and reasonable compensation for the services of Mortgagee and for all attorneys, counsel, receivers, agents, clerks, servants and other employees by it properly engaged and employed, Mortgagee may apply the monies arising as aforesaid, first to accrued interest on the Note, second, to the payment of any other sums required to be paid by Mortgagor under this Mortgage or other instruments securing payment of the Note, and third, to outstanding principal of the Note; (c) Mortgagee may institute proceedings to enforce the lien of this Mortgage; (d) Mortgagee may take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note or in this Mortgage, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect, including appointment of a receiver for the Mortgaged Property and the Improvements.

14. Foreclosure; Expenses of Litigation.

(a) When the Indebtedness or any part thereof shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such Indebtedness or part thereof. In any civil action to foreclose the lien hereof, there shall be allowed and included as additional Indebtedness in the order or judgment for foreclosure and sale all reasonable expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be reasonably expended after entry of said order or judgment) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens' Certificates and similar data and assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such civil action or to evidence to bidders at any sale which may be had pursuant to such order or judgment the true condition of the

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title to, or the value of the Premises. All reasonable expenditures and expenses of the nature in this paragraph mentioned and such reasonable expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorneys employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Premises, including probate, appellate and bankruptcy proceedings, or in preparations for the commencement or defense of any action or proceeding or threatened action or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the rate set forth in the Note applicable to a period when a default exists thereunder, and shall be secured by this Mortgage.

(b) At all times, the Mortgagor shall appear in and defend any suit, action or proceeding that might in any way in the sole judgment of Mortgagee affect the value of the Premises, the priority of this Mortgage or the rights and powers of Mortgagee hereunder or under any document given at any time to secure the Indebtedness. Mortgagor shall, at all times, indemnify, hold harmless and reimburse Mortgagee on demand for any and all loss, damage, expense or cost, including cost of evidence of title and reasonable attorneys' fees, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such expenditures shall be secured by this Mortgage, and shall bear interest after demand at the rate specified in the Note applicable to a period when an uncured default exists thereunder, and such interest shall be secured hereby and shall be due and payable on demand.

15. Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding Paragraph hereof; second, all other items which may under the terms hereof constitute secured Indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all interest remaining unpaid on the Note; fourth all principal remaining unpaid on the Note; and fifth, any overplus to any party entitled thereto as their rights may appear.

16. Appointment of Receiver or Mortgagee in Possession. Upon, or at any time after, the commencement of an action to foreclose this Mortgage, the court in which such action was commenced may, upon request of the Mortgagee, appoint a receiver of the Premises either before or after foreclosure sale, without notice and without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not; and the Mortgagee or any holder of the Note may be appointed as such receiver or as Mortgagee in possession. Such receiver or the Mortgagee in possession shall have power to collect the rents, issues and

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profits of the Premises during the pendency of such foreclosure action and, in case of a sale and a deficiency, during the full statutory period of redemption (if any), whether there be redemption or not, as well as during any further times (if any) when Mortgagor, except for the intervention of such receiver or Mortgagee in possession, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver or Mortgagee in possession to apply the net income in its hands in payment in whole or in part of: (a) the Indebtedness secured hereby or by any order or judgment foreclosing the lien of this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or the lien of such order or judgment, provided such application is made prior to foreclosure sale; (b) the deficiency in case of a sale and deficiency.

17. Rights Cumulative. Each right, power and remedy conferred upon the Mortgagee by this Mortgage and by all other documents evidencing or securing the Indebtedness and conferred by law and in equity is cumulative and in addition to every other right, power and remedy, express or implied, given now or hereafter existing, at law and in equity; and each and every right, power and remedy herein or therein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Mortgagee; and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of, or discontinuance by, the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

18. Mortgagee's Right of Inspection. Mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

19. Condemnation.

(a) Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the entire proceeds of any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation. So long as: (a) each lease, if any, is in full force and effect and such taking shall not result in the termination or cancellation of any of those leases or give any tenant thereunder the right to cancel its lease; (b) the Premises do not require repair, rebuilding or restoration; and (c) this Mortgage is not in default; then any award, after deducting therefrom any expenses incurred in the collection thereof, shall be made available by the Mortgagee for the repair, rebuilding or restoration of the Premises in accordance with plans

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and specifications to be submitted to and approved by the Mortgagee.

(b) In all other cases, the Mortgagee may elect to apply the proceeds of the award upon or in reduction of the Indebtedness, whether due or not, without premium or penalty, or make those proceeds available for repair, restoration or rebuilding of the Premises in accordance with plans and specifications to be submitted to and approved by the Mortgagee. In any case where proceeds are made available for repair, rebuilding or restoration, the proceeds of the award shall be paid out in the same manner and under the same conditions provided in Paragraph 6 hereof for the payment of insurance proceeds toward the cost of repair, rebuilding or restoration. Any surplus which may remain out of said award after payment of such cost of repair, rebuilding, restoration and the reasonable charges of the Disbursing Party shall, at the option of the Mortgagee, be applied on account of the Indebtedness or paid to any party entitled thereto as the same appear on the records of the Mortgagee. No interest shall be allowed to Mortgagor on account of any proceeds of any award held by the Mortgagee.

20. Release. Mortgagee shall release this Mortgage and the lien hereof by proper instrument upon payment and discharge of all Indebtedness secured hereby (including any prepayment charges and late charges provided for herein or in the Note), and upon payment of reasonable fees and expenses incurred by Mortgagee for the execution of such proper instrument.

21. Giving of Notice. Any notice which either party hereto may desire or be required to give to the other party shall be in writing and the mailing thereof by certified mail addressed to the Mortgagor or to the Mortgagee, as the case may be, at the respective addresses set forth on the first page hereof or at such other place as any party hereto may by notice in writing designate as a place for service of notice, shall constitute service of notice hereunder.

22. Waiver of Defense. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note.

23. Waiver of Statutory Rights. Mortgagor agrees that it will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of the lien of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to take advantage of any law now or hereafter in force providing for the valuation or appraisalment of the Premises, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or

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order of any court of competent jurisdiction; or after such sale, claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. Mortgagor hereby expressly waives any and all rights it may have to require that the Premises be sold as separate tracts or units in the event of foreclosure. Mortgagor does hereby expressly waive any and all rights of redemption from sale under any order or judgment of foreclosure of the lien of this Mortgage on behalf of the Mortgagor, the trust estate and all persons beneficially interested therein and each and every person, except judgment creditors of the Mortgagor in its representative capacity and of the trust estate, acquiring any interest in or title to the Premises subsequent to the date of this Mortgage. Mortgagor agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Mortgagee, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note. Mortgagor hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Mortgage or to any action brought to enforce the Note or any other obligation secured by this Mortgage.

24. Nonwaiver. No waiver of any covenant or condition or the breach of any covenant or condition of this Mortgage shall be deemed to constitute a waiver of any subsequent breach of such covenant or condition, nor to justify or authorize the nonobservance on any other occasion of the same or of any other covenant or condition hereof, nor shall the acceptance of any payment by Mortgagee at any time when Mortgagor is in default under any covenant or condition hereof be construed as a waiver of such default, nor shall any waiver or indulgence granted by Mortgagee to Mortgagor be taken as an estoppel against Mortgagee promptly to avail itself of such other rights or remedies as Mortgagee may have, but Mortgagee may at any time thereafter, if such default continues, exercise all its rights arising from such default in the manner provided in this Mortgage.

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 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 Note, this Mortgage and all other documents securing the Note and all assignments thereof.

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26. Business Purpose; Usury Exemption. Mortgagee has been advised by Mortgagor and its beneficiaries that the proceeds of the loan secured by this Mortgage will be used for the purposes specified in Paragraph 6404 of Chapter 17 of the 1981 Illinois Revised Statutes, and that the principal obligation secured hereby constitutes a "business loan" which comes within the purview and operation of said paragraph.

27. Miscellaneous Binding Nature. This Mortgage and all provisions hereof shall extend to and be binding upon the original Mortgagor named on page 1 hereof and its successors, grantees, assigns, each subsequent owner or owners of the Premises and all persons claiming under or through Mortgagor; and the word "Mortgagor" when used herein shall include all persons and all persons primarily and secondarily liable for the payment of the Indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage.

28. Release of Previous Holder. The word "Mortgagee" when used herein shall include the successors and assigns of the original Mortgagee named on page 1 hereof, and the holder or holders, from time to time of the Note. However, whenever the Note is sold, each prior holder shall be automatically freed and relieved, on and after the date of such sale, of all liability with respect to the performance of each covenant and obligation of Mortgagee hereunder thereafter to be performed, provided that any monies in which the Mortgagor has an interest, which monies are then held by the seller of the Note, are turned over to the purchaser of the Note.

29. Severability and Applicable Law. In the event one or more of the provisions contained in this Mortgage or in the Note or in any other document given at any time to secure the payment of the Note shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability, shall at the option of the Mortgagee, not affect any other provision of this Mortgage, the Note or other document and this Mortgage, the Note or other document shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. The validity and interpretation of this Mortgage and the Note it secures are to be construed in accordance with and governed by the laws of the State of Illinois.

30. Estoppel Certificate. Mortgagor, within fifteen (15) days after mailing of a written request by the Mortgagee, agrees to furnish from time to time a signed statement setting forth the amount of the Indebtedness and whether or not any default, offset or defense then is alleged to exist against the Indebtedness and, if so, specifying the nature thereof.

31. Non-Joinder of Tenant. After an event of default, Mortgagee shall have the right and option to commence a civil action to foreclose the lien of this Mortgage and to obtain an order or judgment of foreclosure and sale subject to the rights of

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any tenant or tenants of the Premises. The failure to join any tenant or tenants of the Premises 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.

32. Security Agreement and Financing Statement.

(a) Mortgagor and Mortgagee agree: (i) that this Mortgage shall constitute a Security Agreement within the meaning of the Uniform Commercial Code (the "Code") of the State of Illinois with respect to all sums on deposit with the Mortgagee pursuant to Paragraphs 6 and 19 hereof ("Deposits") and with respect to any property included in the definition herein of the word "Premises", which property may not be deemed to form a part of the real estate hereinabove described or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code), and all replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof (said property, replacements, substitutions, additions and the proceeds thereof being sometimes herein collectively referred to as the "Collateral"); and (ii) that a security interest in and to the Collateral and the Deposits is hereby granted to the Mortgagee; and (iii) that the Deposits and all of Mortgagor's right, title and interest therein are hereby assigned to the Mortgagee; all to secure payment of the Indebtedness and to secure performance by the Mortgagor of the terms, covenants and provisions hereof.

(b) In the event of a default under this Mortgage, the Mortgagee, pursuant to the appropriate provisions of the Code, shall have an option to proceed with respect to both the real property and Collateral in accordance with its rights, powers and remedies with respect to the real property, in which event the default provisions of the Code shall not apply. The parties agree that if the Mortgagee shall elect to proceed with respect to the Collateral separately from the real property, five (5) days notice of the sale of the Collateral shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by the Mortgagee shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Mortgagee. The Mortgagor agrees that, without the written consent of the Mortgagee, the Mortgagor will not remove or permit to be removed from the Premises any of the Collateral except that so long as the Mortgagor is not in default hereunder, Mortgagor shall be permitted to sell or otherwise dispose of the Collateral when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Premises, but only upon replacing the same or substituting for the same other Collateral at least equal in value and utility to the initial

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value and utility of that disposed of and in such a manner that said replacement or substituted Collateral shall be subject to the security interest created hereby and that the security interest of the Mortgagee shall be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the Collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby. The Mortgagor shall, from time to time, on request of the Mortgagee, deliver to the Mortgagee at the cost of the Mortgagor: (i) such further financing statements and security documents and assurance as Mortgagee may require, to the end that the liens and security interests created hereby shall be and remain perfected and protected in accordance with the requirements of any present or future law; and (ii) an inventory of the Collateral in reasonable detail. The Mortgagor covenants and represents that all Collateral now is, and that all replacement thereof, substitutions therefor or additions thereto, unless the Mortgagee otherwise consents, will be free and clear of liens, encumbrances, title retention devices and security interests of others.

(c) The Mortgagor and Mortgagee agree, to the extent permitted by law, that: (i) all of the goods described within the definition of the word "Premises" herein are or are to become fixtures on the land described herein; (ii) this instrument, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of Sections 9-313 and 9-402 of the Code; and (iii) Mortgagor is the record owner of the land described in this Mortgage.

(d) If the Collateral is sold in connection with a sale of the Premises, Mortgagor shall notify the Mortgagee prior to such sale and shall require as a condition of such sale that the purchaser specifically agree to assume Mortgagor's obligations as to the security interests herein granted and to executed whatever agreements and filings are deemed necessary by the Mortgagee to maintain Mortgagee's first perfected security interest in the Collateral, Deposits and the deposits described in Paragraph 4 above.

33. Due on Sale or Encumbrance/Partial Release.

(a) In determining whether or not to make the loan secured hereby, Mortgagee examined the credit-worthiness of Mortgagor, found it acceptable and relied and continues to rely upon same as the means of repayment of the loan. Mortgagee also evaluated the background and experience of Mortgagor in owning and operating property such as the Premises, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Premises which is Mortgagee's security for the loan. Mortgagor is well-experienced in borrowing money and operating property such as the Premises, was ably represented in the negotiation and documentation of the loan secured

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hereby and bargained at arm's length and without duress of any kind for all of the terms and conditions of the loan, including this provision. Mortgagee recognizes that Mortgagee is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other than the original Mortgagor. Mortgagor further recognizes that any secondary or junior financing placed upon the Premises (a) may divert funds which would otherwise be used to pay the Note secured hereby; (b) could result in acceleration and foreclosure by any such junior encumbrancer which would force Mortgagee to take measures and incur expenses to protect its security; (c) would detract from the value of the Premises should Mortgagee come into possession thereof with the intention of selling same; and (d) impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Premises.

(b) In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security, both of repayment and of value of the Premises; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) allowing Mortgagee to raise the interest rate and/or collect assumption fees; any sale, conveyance, assignment, further encumbrance or other transfer of title to the Premises or any interest therein (whether voluntary or by operation of law) without the Mortgagee's prior written consent shall be an event of default hereunder. For the purpose of, and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events without the prior written consent of Mortgagee shall be deemed to be an unpermitted transfer of title to the Premises and therefor an event of default hereunder;

(1) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, all or any part of the title to the Premises or the beneficial interest or power of direction under the trust agreement with Mortgagor (if Mortgagor is the trustee under an Illinois land trust agreement).

(2) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, any share of stock of any corporation which is the Mortgagor, or, if the Mortgagor is the trustee under an Illinois land trust, any corporation which is the beneficiary or one of the beneficiaries under the trust agreement with Mortgagor.

(c) Mortgagee shall consider all requests for assumptions of the Note and this Mortgage; provided, however that the Note and this Mortgage (and all Loan Documents) shall be assumable based upon such terms and conditions, including changes in the

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interest rate and imposition of an assumption fee, as Mortgagee in its sole discretion shall require at the time of assumption.

(d) Any consent by the Mortgagee, or any waiver of an event of default, under this Paragraph shall not constitute a consent to, or waiver of any right, remedy or power of the Mortgagee upon a subsequent event of default under this Paragraph.

IN WITNESS WHEREOF, the Mortgagor has executed this instrument as of the day and year first above written.

Mortgagor:

X *Joseph C. Jacob*  
\_\_\_\_\_  
Joseph C. Jacob

X *Annie C. Jacob* 10-26-1990  
\_\_\_\_\_  
Annie C. Jacob

\_\_\_\_\_

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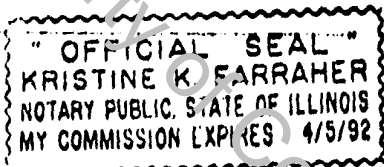
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STATE OF ILLINOIS )  
COUNTY OF Cook )

I, the undersigned, a Notary Public in and for said County, in the State of Illinois, do hereby certify that Joseph C. Jacob and Annie C. Jacob, Husband and Wife, are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, and that the foregoing persons appeared before me this day in person and acknowledged that they signed and delivered the foregoing instrument as their free and voluntary act for the uses and purposes therein set forth. Given under my hand and seal this 26th day of October, 1990.

My commission expires:



*Kristine K. Farragher*  
Notary Public

This document was prepared by and when recorded please return to: First Federal Savings Bank, 633 LaSalle Street, Ottawa, Illinois 61350.

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EXHIBIT 9A-Q 5 3 4 0 9 0

## LEGAL DESCRIPTION

PARCEL 1: THAT PART OF LOT 1 IN RICHMOND SUBDIVISION, BEING A SUBDIVISION OF PART OF THE SOUTHEAST 1/4 OF SECTION 22, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 1; THENCE DUE WEST (BEIGN AN ASSUMED BEARING FOR THIS LEGAL DESCRIPTION) ALONG THE SOUTH LINE OF SAID LOT 1, 304.17 FEET THENCE DUE NORTH, 137.04 FEET TO A PLACE FOR THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; THENCE DUE WEST, 54.75 FEET; THENCE DUE NORTH, 49.58 FEET; THENCE DUE EAST 54.75 FEET; THENCE DUE SOUTH, 49.58 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2: EASEMENTS FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 AS SET FORTH IN THE DECLARATION OF EASEMENTS, CONVENANTS AND RESTRICTIONS RECORDED AS DOCUMENT NUMBER 24028900 AS AMENDED BY SUPPLEMENTAL DECLARATION RECORDED AS DOCUMENT NUMBER 24384777, ALL IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER: 09-22-401-029

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SECURITY AGREEMENT  
(Personal Property)

Joseph C. Jacob and Annie C. Jacob, Husband and Wife  
whose address is 8146 North Kedvale, Skokie, Illinois 60076  
("Debtor"), to secure payment of the hereafter mentioned obligations and all other indebtedness of Debtor payable under this Agreement, hereby assigns, conveys and grants to FIRST FEDERAL SAVINGS BANK, 833 LaSalle Street, Ottawa, Illinois 61350 ("Secured Party"), a security interest in all of Debtor's right, power, and interest in all contract rights, tangible personal property and other personal property described in Exhibit B hereto now owned or hereafter acquired by Debtor, or in which Debtor may have any interest whatsoever, and used in connection with the occupancy, operation and maintenance of the real estate which is legally described in Exhibit A hereto (the "Real Estate") or any business or operation conducted thereon, including, without limitation, all fixtures, equipment, operating systems, appliances, furniture, furnishings, and landscaping located thereon and any and all additions and accessories thereto and any proceeds therefrom (the "Collateral").

1. Obligations Secured. The Security Interest granted to Secured Party shall secure:

(a) The payment of Installation Note (the "Note") dated October 26, 19 90 by Debtor in the principal sum of \$171,700.00, payable on or before November 1, 20 20, together with interest thereon as set forth therein.

(b) The payment of any other note or guaranty executed by the Debtor in renewal, substitution or extension of the indebtedness described above.

(c) All future advances made by Secured Party to or on behalf of the Debtor.

(d) All costs and expenses incurred in the collection of the above, including reasonable attorneys' fees and legal expenses.

2. Representations, Warranties and Agreements of Debtor. Debtor represents, warrants, and agrees as follows:

(a) Debtor is the sole owner of the Collateral free from any lien, security interest or encumbrance, has the right to grant Secured Party a security interest therein and will defend the Collateral against the claims and demands of all persons.

(b) Debtor shall not sell, encumber or grant any further security interest in the Collateral without the written consent of the Secured Party, and shall not use or permit the Collateral to be used in violation of any law or ordinance.

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(c) No financing statement covering the Collateral, or any part thereof, is on file in any public office, and Debtor will, at the request of Secured Party, join with Secured Party in executing a Financing Statement pursuant to the Uniform Commercial Code and pay the fee for filing the same in all public offices where filing may be deemed necessary by Secured Party.

(d) Debtor will furnish the Secured Party with satisfactory evidence that the Real Estate has been adequately insured by companies acceptable to the Secured Party and that such insurance coverage will be maintained throughout the term of the loan secured hereby.

(e) Debtor shall pay any indebtedness which may be secured by a lien or charge upon the Collateral and upon request, exhibit satisfactory evidence of such payment to the Secured Party. Upon default of such payment the Secured Party may, but need not, make any payment required of the Debtor in the protection of the Collateral and purchase, discharge, compromise or settle any tax lien or other lien or title or claim, or redeem from any tax sale or forfeiture affecting the Collateral or content any tax or assessment. All money advanced by the Secured Party for any of the purposes stated in this Agreement, or for the protection of the Collateral or of the lien of the Secured Party therein (whether or not described in this Agreement), and all expenses paid or incurred in connection therewith, including attorney's fees, shall be additional indebtedness secured by the security interest created by this Agreement and become immediately due and payable without notice and with interest thereon at the default rate under the Note.

3. Events of Default. The occurrence of any of the following events or conditions shall, at the option of the Secured Party and without further notice or demand on the Debtor other than as provided in the Note, constitute an event of default hereunder:

(a) Default in the payment of the Note or the performance of Debtor's guaranty, if any, or any other indebtedness secured hereby; or

(b) Failure of the Debtor to perform any covenant, or agreement made by Debtor herein or in the Note or in any other document securing the Note; or

(c) Breach of any warranty or falsity of any representation made by Debtor to Secured Party herein, or

(d) Attachment, seizure, foreclosure or forfeiture or levy upon the Collateral; or





(e) Institution of any proceeding by or against Debtor or Debtor's business under any bankruptcy or insolvency statute or an assignment by Debtor for benefit of creditors or appointment of a receiver for Debtor of the Collateral or filing of a tax lien notice by the United States or any other State; or

(f) The accrual of any lien or charge against the Collateral whether prior to or subsequent to the security interest of the Secured Party.

4. Remedies. Upon the occurrence of any default, and the expiration of any applicable cure period, Secured Party may declare all indebtedness secured hereby immediately due and payable and thereupon the rights, powers and privileges of the Debtor under the Collateral shall cease and terminate and the Secured Party may, without notice or demand, take possession of the Collateral and exercise all rights of ownership, assume the management thereof and collect the rents, issues and profits therefrom. Secured Party shall have all other rights and remedies of a Secured Party under the Uniform Commercial Code. Secured Party may, either before or after taking possession of the Collateral:

(a) Sell the Collateral, at public sale, with advertisement in accordance with the provisions of the Uniform Commercial Code. Debtor agrees that the requirements of the Uniform Commercial Code shall be met if notice is mailed to the Debtor at the address shown above not less than twenty-one (21) days prior to the sale or other disposition; or

(b) Institute a judicial proceeding in aid of the right of the Secured Party to exercise Debtor's rights, powers and privileges in the Collateral, to foreclose the security interest and lien conferred by this Agreement and to effect a sale of the Collateral.

The reasonable expense of the Secured Party in assuming possession of the Collateral and to exercise Debtor's rights, powers and privileges therein, including Attorneys' fees, Court costs, title searches and other legal expense shall be additional indebtedness which the Debtor agrees to pay upon demand.

6. General Provisions.

(a) All the rights herein conferred upon the Secured Party are in addition to and not in derogation of, the rights conferred upon Secured Party by law and all such rights and remedies herein or by law conferred, may be exercised at such time or times and in such order as the Secured Party may elect.

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(b) This Security Agreement shall be construed according to the laws of the State of Illinois. Waiver of any default shall not constitute waiver of any subsequent default. All rights of Secured Party shall inure to the benefit of its successors and assigns and all obligations of Debtor shall bind his heirs, executors, personal representatives, successors or assigns. If there is more than one debtor, their obligations hereunder shall be joint and several. This Agreement shall become effective when signed by the Debtor.

(c) Debtor acknowledges receipt of an executed copy of this Security Agreement.

Dated at Lincolnwood, Illinois October 26, 1990.

DEBTOR:

X Joseph C. Jacob  
Joseph C. Jacob  
X Annie C. Jacob 10-26-90  
Annie C. Jacob

We hereby accept the foregoing assignment.

FIRST FEDERAL SAVINGS BANK

By: Ernie D. Hart  
(As: Assistant Vice President)

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EXHIBIT A

## LEGAL DESCRIPTION

PARCEL 1: THAT PART OF LOT 1 IN RICHMOND SUBDIVISION, BEING A SUBDIVISION OF PART OF THE SOUTHEAST 1/4 OF SECTION 22, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 1; THENCE DUE WEST (BEIGN AN ASSUMED BEARING FOR THIS LEGAL DESCRIPTION) ALONG THE SOUTH LINE OF SAID LOT 1, 304.17 FEET THENCE DUE NORTH, 137.04 FEET TO A PLACE FOR THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; THENCE DUE WEST, 54.75 FEET; THENCE DUE NORTH, 49.58 FEET; THENCE DUE EAST 54.75 FEET; THENCE DUE SOUTH, 49.58 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2: EASEMENTS FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 AS SET FORTH IN THE DECLARATION OF EASEMENTS, COVENANTS AND RESTRICTIONS RECORDED AS DOCUMENT NUMBER 24020900 AS AMENDED BY SUPPLEMENTAL DECLARATION RECORDED AS DOCUMENT NUMBER 24384777, ALL IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER: 08-23-401-029

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## EXHIBIT B

1713 Chariot Court, Mt. Prospect, Illinois 60056  
6 Units- Each contains the following:

Screens  
Storm windows and doors  
Shades  
Lighting and plumbing fixtures  
Unit air conditioner  
Refrigerator  
Range and Vented hood

Also one central located coin operated washer and dryer

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