

# UNOFFICIAL COPY

COOK COUNTY, ILLINOIS  
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## MORTGAGE

# 2/00

THIS MORTGAGE ("Security Instrument") is given on May 10 1990. The mortgagor is James A. Hoffman, a bachelor ("Borrower"). This Security Instrument is given to Affiliated Bank/Morton Grove State Banking Association, which is organized and existing under the laws of State of Illinois, and whose address is 8700 N. Waukegan Morton Grove, Illinois 60083 ("Lender"). Borrower owes Lender the principal sum of Two Hundred Thirty Five Thousand and 00/100 Dollars (U.S. \$ 235,000.00). This debt is evidenced by ~~XXXXXXXXXXXX~~ promissory note ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on JUNE 1, 1993. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

LOT 1 AND THE NORTH 4 FEET OF LOT 2, BLOCK 2, DEMPSTER TERMINAL GARDEN'S SECOND ADDITION, A SUBDIVISION OF THE WEST 10 ACRES OF THE SOUTH WEST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 17, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

\*SEE RIDER TO MORTGAGE ATTACHED HERETO AND MADE A PART HEREOF.

THIS LOAN IS FOR BUSINESS PURPOSE ONLY.

PIN # 10-17-424-097

which has the address of BRAD MAHON (Street) Morton Grove (City) Illinois 60053 ("Property Address"); [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

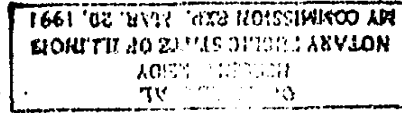
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(Space Below This Line Reserved for Lender and Recorder)

Mail To: AgriWest Bank / Notary Thorne  
8708 N. Washington Road  
Notary Thorne, Ill  
60053



*[Handwritten Signature]*  
Notary Public

My Commission expires:

Given under my hand and official seal, this 07th day of July, 1990, set forth:

signed and delivered the foregoing instrument, appeared before me this day in person, and acknowledged that he subscribed to the foregoing instrument, and acknowledged that he is free and voluntary act, for the uses and purposes therein

do hereby certify that James A. Hoffman a Notary Public in and for said county and state, County ss: Cook State of Illinois.

*[Handwritten Signature]*  
James A. Hoffman  
(Seal) - Borrower

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

- Adjustable Rate Rider
- Graduated Payment Rider
- Other(s) (specify)
- Condominium Rider
- Planned Unit Development Rider
- 2-4 Family Rider

23. Rider(s) to this Security Instrument, if one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument. (Check appropriate box(es))

22. Rider of Homestead. Borrower waives all right of homestead exemption in the Property.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument. Lender shall release this Security Instrument without charge to Borrower, Borrower shall pay any recordation costs.

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument; foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure, if the default is not cured on or before the date specified in the notice. Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding, but not limited to, collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. **Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

12. **Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. **Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

14. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. **Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

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UNIFORM COVENANTS Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attach to the Property; (b) yearly hazard insurance premiums; and (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution of which are insured or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items, unless Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debt to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied, first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attach to the Property, including this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person, over payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien in which has priority over this Security Instrument unless Borrower agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender. (b) consists in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which, in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attach to this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amount and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement. Lender shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

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## \*RIDER TO MORTGAGE

Mortgagor is indebted to Mortgagee arising out of certain Mortgage Note and a Guaranty of Note and Mortgage, a copy of said Mortgage Note and Guaranty of Note and Mortgage are attached hereto as Exhibit "A", and "B" respectively and made a part hereof; that the full prompt payment of the Note when due has been unconditionally guaranteed whether by declaration or otherwise by Mortgagor under the terms, provisions and conditions of the Guaranty of Note and Mortgage.

Mortgagors have previously executed and delivered to The First National Bank of Morton Grove a certain Mortgage dated 09/29/88 and registered 10/12/88 as Document 88-469017 (the Prior Mortgage) which secures a Note for \$ 115,500.00 (the "Prior Note"). Mortgagors covenant and agree that each of the following shall be an event of default hereunder: (a) any renewal, extension, restructuring or refinancing of the indebtedness evidenced by the term or covenant or condition contained in the Prior Note or Prior Mortgage or any other document evidencing or securing the indebtedness evidenced by the Prior Note; and thereafter Mortgagee, at its option, may declare all indebtedness hereby secured without notice, to be immediately due and payable, and Mortgagee may foreclose this Mortgage as in the case of any other default hereunder, without regard to whether the maturity of the Prior Note has been accelerated or whether the Prior Mortgage is then being foreclosed upon.

Anything in this Mortgage to the contrary notwithstanding, this Mortgage shall be, subject and subordinate to the terms, covenants and condition contained in, the Prior Mortgage.

In the event any amount paid out or advanced by the Mortgagee shall be used directly or indirectly to pay off, the Prior Mortgage or other prior lien, 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.

Mortgagors shall furnish forthwith to Mortgagee a copy of each notice claiming a default of any party under the Prior Note or the Prior Mortgage at any time given by or received by Mortgagors or any beneficiary of Mortgagors. The obligation of Mortgagors under Paragraph 2 of this Mortgage shall be deemed performed to the extent that sufficient tax and insurance premium deposits are made with Holder of the "Prior Note."

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## MORTGAGE NOTE

Exhibit A

\$ 235,000.00

Morton Grove, Illinois

May 10, 1990

FOR VALUE RECEIVED, the undersigned Manufacturers Affiliated Trust Company as Trustee under Trust No. N-1107, dtd 05/01/1990, hereby, promises to pay, to the order of Affiliated Bank/Morton Grove ("Maker"), at his offices at 8700 N. Waukegan Road, Morton Grove, IL 60053, or at such other place as Payee may from time to time designate, in the manner hereinafter provided, the principal sum of Two Hundred Thirty Five Thousand and 00/100 (\$235,000.00) Dollars, (in lawful money of the United States of America, together with interest ("Interest Rate") from the date of disbursement of the outstanding balance from time to time as follows:

**PRINCIPAL AND INTEREST PAYABLE MONTHLY AT THE RATE OF 10.75% PER ANNUM IN EQUAL INSTALLMENTS OF \$ 2,395.79 COMMENCING ON THE 1ST DAY OF JULY, 1990 AND ON THE FIRST DAY OF EACH MONTH THEREAFTER UNTIL THIS MORTGAGE NOTE IS FULLY PAID, EXCEPT THAT THE FINAL PAYMENT OF PRINCIPAL AND INTEREST IF NOT SOONER PAID SHALL BECOME DUE ON THE FIRST DAY OF JUNE, 1993. THE PRINCIPAL AND INTEREST PROVIDED HEREIN IS COMPUTED ON THE BASIS OF A 20 YEAR AMORTIZATION.**

Interest shall be calculated hereunder on the basis of actual days in a month over a 360 day year. In the event that the unpaid principal balance of this Mortgage Note ("Note") becomes due and payable on a date other than the first day of a calendar month, a final payment of interest at the rate provided in this Note shall be due and payable on such date.

This Note is secured by a certain Mortgage, Assignment of Lease and Security Agreement of even date herewith executed by Maker ("Mortgage") which pertains to certain real estate located at 8700 Waukegan Road, Morton Grove, IL 60053 County, Illinois, and legally described on Exhibit A attached to the Mortgage ("Real Estate"), and is further secured by the other Loan and Security documents ("Loan Documents") attached in the Mortgage, all of which documents bear even date herewith, which are made a part hereof and which are hereby incorporated by reference.

(Insert Prepayment Provision)

If Maker fails to pay any installment or payment of principal or interest or other charge due hereunder, when due, or if at any time hereafter the right to foreclose or exercise the remedies available under the Mortgage or other Loan Documents or to accelerate this Note shall accrue to the Payee under any of the provisions contained in this Note, the Mortgage, or the other Loan Documents, including, without limitation, by reason of the Real Estate or any part thereof or any legal, equitable or beneficial interest therein being sold, assigned, transferred, conveyed, mortgaged or otherwise liened or encumbered to or in favor of any party other than Payee, or by reason of Maker or any beneficiary of Maker other than Payee, or by reason of Maker or any beneficiary of Maker entering into any contract or agreement for any of the foregoing, or if at any time hereafter any other default occurs under the Mortgage, this Note, Guaranty, if any, of this Note or any of the Loan Documents, and Maker fails to cure the same within the time period, if any, provided for curing the same under the terms of the Mortgage or other Loan Documents, then at the option and election of the Payee, and without further notice, grace or opportunity to cure, the entire unpaid principal balance outstanding hereunder, together with all interest accrued thereon, may be accelerated and become immediately due and payable at the place of payment aforesaid.

In case the right to accelerate this Note shall accrue by reason of any of the events of default referred to in the preceding paragraph, in lieu of or in addition to any other right or remedy then available under this Note or the other Loan Documents, the Payee shall have the right and option, without further notice, to implement, as of and from the date of default, the "Default Rate" (as hereinafter defined) to the entire principal balance outstanding under the Note and all accrued interest thereon. For purposes of this Note, the "Default Rate" shall be the prime rate plus six (6%) percent (P + 6). The term prime rate means the prime commercial rate of the Payee, such rate being changed from time to time as established or announced by Payee. Prime does not mean the lowest interest rate offered by Payee from time to time.

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Without limiting the foregoing, the Payee shall have the option in lieu of or in addition to acceleration and/or implementing the Default Rate and/or exercising any other right or remedy, to require that Maker shall pay the Payee a late payment charge equal to five (5%) percent for each dollar of any monthly payment not received within ten (10) days of when due to partially defray the additional expenses incident to the handling and processing of past due payments. The foregoing late payment charge shall apply individually to all past due payments and shall be subject to no daily pro rata adjustment or reduction.

Time is of the essence hereof.

Maker, for itself and its successors and assigns, estates, heirs, and personal representatives, and each co-maker, endorser or guarantor, if any, of this Note, for their successors and assigns, estates, heirs, and personal representatives, hereby forever waive(s) presentment, protest and demand, notice of protest, demand, dishonor and non-payment of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note and waives and renounces all rights to the benefits of any statute of limitations and any moratorium, appraisement, exemption and homestead law now provided or which may hereby be provided by any federal or state statute or decisions, including but not limited to exemptions provided by or allowed under the Bankruptcy Code, against the enforcement and collection of the obligations evidenced by this Note, and any and all amendments, substitutions, extensions, renewals, increases and modifications hereof. Maker agrees to pay all costs and expenses of collection and enforcement of this Note when incurred, including Payee's attorneys' fees and legal and court costs, including any incurred on appeal or in connection with bankruptcy or insolvency, whether or not any lawsuit or proceeding is ever filed with respect hereto. No extensions of time of the payment of this Note or any installment hereof or any other modification, amendment or forbearance made by agreement with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the liability of any co-maker, endorser, guarantor of any other person with regard to this Note, either in whole or in part.

No failure on the part of Payee or any holder hereof to exercise any right or remedy hereunder, whether before or after the occurrence of a default, shall constitute a waiver thereof, and no waiver of any past default shall constitute a waiver of any future default or of any other default. No failure to accelerate the debt evidenced hereby by reason of default hereunder, or acceptance of a past due installment, or indulgence granted from time to time, shall be construed to be a waiver of the right to insist upon prompt payment thereafter or to impose the Default Rate retroactively or prospectively, or to impose late payment charges, or shall be deemed to be a novation of this Note or as a reinstatement of the debt evidenced hereby or as a waiver of such right of acceleration or any other right, or be construed so as to preclude the exercise of any right which the Payee or any holder hereof may have, whether by the laws of the state governing this Note, by agreement, or otherwise, and none of the foregoing shall operate to release, change or affect the liability of Maker or any co-maker, endorser or guarantor of this Note, and Maker and each co-maker, endorser and guarantor hereby expressly waive the benefit of any statute or rule of law or equity which would produce a result contrary to or in conflict with the foregoing. This Note may not be modified or amended orally, but only by an agreement in writing signed by the party against whom such agreement is sought to be enforced.

The parties hereto intend and believe that each provision in this Note comports with all applicable local, state, and federal laws and judicial decisions. However, if any provisions, provision, or portion of any provision in this Note is found by a court of competent jurisdiction to be in violation of any applicable local, state or federal ordinance, statute, law, or administrative or judicial decision, or public policy, and if such court would declare such portion, provision or provisions of this Note to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force and effect to the fullest possible extent that they are legal, valid and enforceable, and that the remainder of this Note shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were severable and not contained therein, and that the rights, obligations and interest of the Maker and the holder hereof under the remainder of this Note shall continue in full force and effect.

All terms, conditions and agreements herein are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance hereof, or otherwise, shall the amount paid or agreed to be paid to the holders hereof for the use, forbearance or detention of the money to be advanced hereunder exceed the highest lawful rate permissible under applicable laws. If, from any circumstances whatsoever, fulfillment of any provision hereof shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then *ipso facto* the obligation to be fulfilled shall be reduced to the limit of such validity, and if under any circumstances the holder hereof shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due hereunder and not to the payment of interest.

This Note shall inure to the benefit of the Payee and its successors and assigns and shall be binding upon the undersigned and its successors and assigns. As used herein, the term "Payee" shall mean and include the successors and assigns of the identified payee and the holder or holders of this Note from time to time.

Maker acknowledges and agrees that (i) this Note and the rights and obligations of all parties hereunder shall be governed by and construed under the laws of the State of Illinois; (ii) that the obligation evidenced by this Note is an exempt transaction under the Truth-in-Lending Act, 15 U.S.C. Sec. 1601 et. seq.; (iii) that said obligation constitutes a "business loan" which comes within the purview of Ill. Rev. Stat. ch. 17, para. 6404, Sec. 4(1)(c) (1981); and (iv) that the proceeds of the loan evidenced by this Note will not be used for the purchase of registered equity securities within the purview of Regulation "G" issued by the Board of Governors of the Federal Reserve System.

The obligations of the Maker of this Note shall be direct and primary and when the context of construction of the terms of this Note so require, all words used in the singular herein shall be deemed to have been used in the plural and the masculine shall include the feminine and neuter. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

This Note shall be governed by and enforced in accordance with the laws of the State of Illinois.

Maker hereby irrevocably agrees and consents and submits to the jurisdiction of any court of general jurisdiction in the State of Illinois; but further agrees that any litigation, actions or proceedings will be litigated at the Payee's sole discretion and election only in courts having situs within the City of Chicago, State of Illinois, in any United States District Court located within the State of Illinois including the United States District Court for the Northern District of Illinois, Eastern Division, if such court shall have jurisdiction over the subject matter, with respect to any legal proceeding arising out of or related to this Note and irrevocably waives any right that may exist with respect to a jury or jury trial and right to transfer or change the venue.

BY SIGNING THIS NOTE, Maker accepts and agrees to the terms and covenants contained in this Note.



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## Land Trust Maker

This Note is executed by the undersigned, not personally, but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it is expressly understood and agreed by Payee and by every person now or hereafter holding this Note or claiming any right of security hereunder that nothing herein or in the Mortgage shall be construed as creating any liability on said Trustee personally to pay said Note or any interest that may accrue thereon, or to perform any covenants, either express or implied, herein contained, but nothing in the preceding portions of this paragraph shall limit Payee's right of recovery on this Note, the Mortgage and other Loan Documents against and out of the Real Estate and other collateral thereby conveyed by enforcement of the provisions hereof and of the Mortgage, nor in any way limit or affect the personal liability of any co-signer, endorser or guarantor of this Note and other Loan Documents.

EXECUTED AND DELIVERED at Chicago, Illinois as of this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

Manufacturers Affiliated Trust Company  
not personally, but as Trustee      Dated 05/01/1990  
Trust No. N-1107

\_\_\_\_\_  
by: Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST      [SEAL]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## Individual Maker

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Property of Cook County Clerk's Office

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## GUARANTY OF NOTE AND MORTGAGE

Exhibit B

WHEREAS, Manufacturers Affiliated Trust Company as Trustee U/T/A  
Trust Number N-1107 dated 05/01/1990

(hereinafter referred to as Debtor), has executed a Note in the principal amount of Two Hundred Thirty Five Thousand and 00/100 Dollars

dated 05/10/1990 payable to the order of Affiliated Bank/Morton Grove and its Mortgage of the same date to secure payment thereof on the property described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the undersigned (hereinafter sometimes referred to as Guarantor) and  
WHEREAS, the Debtor has applied to Affiliated Bank/Morton Grove

(hereinafter referred to as Bank), for a loan in the principal amount of Two Hundred Thirty Five Thousand and 00/100 Dollars secured by the Principal Note and Mortgage described above; and

WHEREAS, the Bank is unwilling to make said loan unless the Guarantor(s) guarantee the payment of the principal and interest and all other amounts provided for in the Note and Mortgage and performance by the Debtor of all of the covenants on its part to be performed and observed pursuant to the provisions thereof; and

WHEREAS, as an inducement to the Bank to make the loan to the Debtor in the principal amount as aforesaid, which loan is evidenced by the aforesaid Principal Note and Mortgage, the undersigned have agreed to execute and deliver this Guaranty; and

WHEREAS, the Guarantor(s) will benefit by disbursement by the Bank of the proceeds of said loan to the Debtor.  
NOW, THEREFORE, the Guarantor(s), in consideration of the foregoing and to induce the Bank to make the aforementioned loan to the Debtor and in consideration of the Bank doing so, do hereby agree as follows:

1. The Guarantor(s), do hereby jointly and severally, unconditionally and irrevocably guarantee to the Bank, the prompt payment of the installments of principal and interest on said Note, when and as the same become due from time to time, whether by lapse of time, acceleration or otherwise, and at all times thereafter, and the prompt payment of all sums which may now be or may hereafter become due and owing under the terms of the Mortgage securing said Note, and do hereby jointly and severally, unconditionally and irrevocably guarantee the prompt performance of all of the other terms, covenants and conditions of said Note and Mortgage and Guarantor(s), and each of them, do hereby waive presentment for payment, demand for payment, notice of nonpayment, or dishonor, protest and notice of protest, notice of acceptance by the Bank of this Guaranty, diligence in collection and any and all formalities which may be legally required to charge them or any of them with liability.

2. Guarantor(s) agree this Guaranty shall be a continuing Guaranty, and shall not be discharged, impaired or affected by: (i) the existence or continuance of any obligation on the part of the Debtor on or with respect to the Note guaranteed hereby, or under the Mortgage or other lien documents given to secure the same; (ii) the release or agreement not to sue without reservation of rights of anyone liable in any way for repayment of the loan; (iii) the power or authority or lack of power or authority of the Debtor to issue the Note, or to execute, acknowledge or deliver the Note, Mortgage or other lien documents; (iv) the validity or invalidity of the Note or Mortgage or other lien documents; (v) any defenses whatsoever that the Debtor may or might have to the performance or observance of any of the covenants or conditions contained in the Note, Mortgage or other lien documents; (vi) the existence or non-existence of the Debtor as a legal entity; (vii) any limitation or exculpation of liability of the Debtor that may be expressed in the Note, Mortgage or any other lien document; (viii) the transfer by the Debtor of all or any part of any interest in all or any part of the real estate described in the Mortgage or any property or rights described in any other lien document; (ix) any sale, pledge, surrender, indulgence, alteration, substitution, exchange, compromise, release, renewal, extension or modifications of any of said liabilities or obligations or other disposition of any of the indebtedness hereby guaranteed, all of which the Bank is expressly authorized to make from time to time; (x) the acceptance by the Bank of any, all or part of the indebtedness evidenced by said Note, or any failure, neglect or omission on the part of the Bank to realize on or protect any of the indebtedness evidenced by said Note or any real estate, personal property, or mortgage or lien security given as security therefor, or to exercise any lien upon or right of appropriation of any monies, credits or property of the Debtor toward liquidation of the indebtedness hereby guaranteed; (xi) the failure by Bank or anyone acting on behalf of Bank to perfect any lien or security interest upon any collateral given at any time to secure the repayments of said loan; (xii) any right of claim whatsoever which any of the Guarantors may have against the Debtor or Bank or the successors or assigns of either of them; or (xiii) any defense (other than the payment of the indebtedness hereby guaranteed in accordance with the terms hereof), that any of the Guarantors may or might have as to their undertakings, liabilities and obligations hereunder, each and every such defense being hereby waived by the undersigned Guarantors. The Bank shall have the exclusive right to determine how, when and what application of payments and credits, if any, shall be made on said indebtedness, liabilities, obligations or any part thereof.

3. The Guarantors agree that in the event any one of them shall:

- (i) die, become insolvent or become incompetent, or
- (ii) become unable to pay their respective debts, as they mature, or
- (iii) make an assignment for the benefit of creditors, or
- (iv) file petitions in bankruptcy or be adjudicated a bankrupt or insolvent or file petitions or answers seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future applicable federal, state or other statute or law, or
- (v) seek or consent to or acquiesce in the appointment of a trustee, receiver or liquidator of all or any substantial part of their respective properties, or
- (vi) within twenty (20) days after the commencement of proceedings seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the present or any future federal bankruptcy act or any present or future applicable federal, state or other statute or law, fail to have such proceedings dismissed, or
- (vii) within twenty (20) days after the appointment of a trustee, receiver, or liquidator (without consent or acquiescence) of all or any substantial part of their respective properties, such appointment shall not have been vacated or stayed on appeal or within twenty (20) days after the expiration of such stay, such appointment shall not have been vacated, or in the event of a failure by either or both of them, to comply with any of their respective obligations hereunder, and if any of the foregoing events shall occur at a time when any of the liabilities may not then be due and payable, at the option of the Bank, the undersigned will pay to the Bank, within ten (10) days after notice from the Bank demanding payment, the full amount which would be payable hereunder by the undersigned if all liabilities were then due and payable.

4. This Guaranty shall in all respects be a continuing, absolute and unconditional guaranty, and shall remain in full force and effect, notwithstanding, without limitation, the death or incompetency of any of the undersigned, until all liabilities have been paid in full and all other obligations of the undersigned hereunder have been fully performed.

5. The Bank may, from time to time, whether before or after any discontinuance of this Guaranty, without notice to the undersigned (or any of them), assign or transfer any or all of the liabilities or any interest therein; and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, such liabilities shall be and remain liabilities for the purposes of this Guaranty, and each and every immediate and successive assignee or transferee of any of the liabilities or of any interest therein shall, to the extent of the interest of such assignee or transferee in the liabilities, be entitled to the benefits of this Guaranty, to the same extent as if such assignee or transferee, to enforce this Guaranty, for the benefit of the Bank, as to those of the liabilities which the Bank has not assigned or transferred.

6. The Guarantors hereby further authorize and empower any attorney of any court of record of the United States of America, or elsewhere, to appear for the Guarantors in such Court, in term time or vacation, at any time after default and confess judgment against the Guarantors, in favor of the Holder from time to time of said Note or any interest therein, for the unpaid balance or balances which may now be or may hereafter become due and owing under the Mortgage and Note secured thereby, if not paid when due, whether by acceleration or otherwise, with costs of suit and reasonable attorneys' fees, for collection, with release of errors, without stay of execution or right of appeal, waiving all loss exempting real or personal property from execution, and inquisition and extension upon levy on real estate hereby are waived and condemnation agreed to, and no benefit of exemptions will be claimed under and by virtue of any exemption law now in force or which may hereafter be passed. No single exercise of the foregoing power to confess judgment shall be deemed to exhaust the power, whether or not any such exercise shall be held by any Court to be valid, voidable, or void, but the power shall continue undiminished and it may be exercised from time to time as often as the Holder, from time to time of said Note or any interest therein shall elect, until such time as the Holder from time to time of said Note or any interest therein, shall have received payment in full of such indebtedness due and owing under the terms of the Trust Deed securing said Note together with interest thereon and costs.

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7. The Guarantors agree that they shall have no right of subrogation whatsoever with respect to the aforesaid indebtedness or to any monies due until the Mortgagee shall have received payment in full of all sums at any time secured by the Mortgage.

8. The Guarantors agree that this Guaranty may be enforced by the Mortgagee without first resorting to or exhausting any other security or collateral, or without first having recourse to the Note or any of the property covered by the Mortgage through foreclosure proceedings or otherwise; provided, however, that nothing herein contained shall prevent the Mortgagee from suing on the Note or foreclosing the Mortgage or from exercising any other rights thereunder and if such foreclosure or other remedy is availed of only the net proceeds therefrom, after deduction of all charges and expenses of every kind and nature whatsoever, shall be applied in reduction of the amount due on the Note and Mortgage and the Mortgagee shall not be required to institute or prosecute proceedings to recover any deficiency as a condition of any payment hereunder or enforcement hereof. At any sale of the security or collateral for the indebtedness, or any part thereof, whether by foreclosure or otherwise, the Mortgagee may at its discretion purchase all or any part of such collateral offered for sale, for its own account, and may apply against the amount bid therefor the balance due it pursuant to the terms of the Note and Mortgage.

9. In the event of a foreclosure of said Mortgage or a sale of the premises subject thereto, and of a deficiency, the Guarantors hereby jointly and severally promise and agree forthwith to pay the amount of such deficiency.

10. The Guarantors further, jointly and severally covenant and agree to pay all expenses and fees, including reasonable attorney's fees, which may be incurred by the holder of said Note in enforcing any of the terms or provisions of this Guaranty.

11. This Guaranty shall be binding upon the heirs, legal representatives and assigns of the Guarantors, and each of them and shall not be discharged or affected, in whole or in part, by the death of the Guarantors, or any one or more of them.

12. The Bank may, at any time or times, appropriate and apply toward payment of this Guaranty any moneys, credits or other property belonging to Guarantor in possession or control of the Bank including, but without limitation, all balances, credits, deposits and moneys; and Bank is hereby granted a first and priority lien thereon.

13. The term "undersigned" as used herein shall mean all parties executing this Guaranty and each of them, and all such parties shall be jointly and severally obligated hereunder.

14. This Guaranty has been delivered at Morton Grove, Illinois, and shall be construed in accordance with and governed by the laws of the State of Illinois. Wherever possible each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provisions shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

The undersigned Daniel J. Hoffman David A. Hoffman hereby irrevocably agrees and consent and submit themselves to the jurisdiction of any court of general jurisdiction in the State of Illinois, but further agrees that any litigation, actions or proceedings will be litigated at the Bank's sole discretion and election only in courts having situs within the City of Chicago, State of Illinois, in any United States District Court located within the State of Illinois including the United States District Court for the Northern District of Illinois, Eastern Division, if such court shall have jurisdiction over the subject matter, with respect to any legal proceeding arising out of or related to this Guaranty, and irrevocably waives any right that may exist with respect to a jury or jury trial and right to transfer or change the venue. For purposes of service of process of any summons or complaint in connection with the enforcement of this Guaranty, Daniel J. Hoffman  
David A. Hoffman James A. Hoffman

Irrevocably appoints the law firm of \_\_\_\_\_ Attn: \_\_\_\_\_ as their attorney-in-fact and authorized agent for acceptance and receipt of service of summons or complaint with the same effect as if said service were made upon Daniel J. Hoffman David A. Hoffman in person as requisite and necessary to give competent and complete jurisdiction and service of process for the suit.

THE UNDERSIGNED HEREBY WAIVES ALL SURETYSHIP DEFENCES AND ALL COUNTER CLAIMS AND SET OFFS HERETOFORE EXISTING.

IN WITNESS WHEREOF, the Guarantor(s) have hereunto set their respective hands and seals this 10th day of May 1990.

Daniel Hoffman (SEAL)  
Daniel J. Hoffman

5839 Reba Street  
Morton Grove IL 60053  
Residence

David Hoffman (SEAL)  
David A. Hoffman

5628 Church Street  
Morton Grove IL 60053  
Residence

James Hoffman (SEAL)  
James A. Hoffman

8840 Mason Street  
Morton Grove IL 60053  
Residence

Residence

This Guaranty of Note and Mortgage is further secured by a certain Mortgage of even date herewith executed by Daniel James Hoffman, a bachelor ("Mortgage") which pertains to certain real estate located at 5839 Reba Street, Morton Grove, Cook County, Illinois, and legally described on the Mortgage ("Real Estate"). And this Guaranty of Note and Mortgage is further secured by a certain Mortgage of even date herewith executed by James A. Hoffman, a bachelor ("Mortgage") which pertains to certain real estate located at 8840 Mason, Morton Grove, Cook County, Illinois, and legally described on the Mortgage ("Real Estate"), which are made apart hereof and which is hereby incorporated by reference. In case of any default(s) under the terms, covenants and provisions of said Mortgage and/or this Guaranty of Note and Mortgage and Loan Documents then at option of Affiliated Bank/Morton Grove any such default(s) shall be considered a default(s) under the terms of this Guaranty of Note and Mortgage.

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