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COOK COUNTY, ILLINOIS
FILED FOR RECORD

Chicago, IL 60613
3959 N. Lincoln Ave.
Commercial Loan Dept.
LINCOLN NATIONAL BANK

This instrument prepared by: Andreas Eschenbaum
And when recorded should be mailed to:

and which, together with the property herein after described, is referred to as the "Premises."

which real estate has the address of 2764 N. Lincoln Avenue
Chicago, Illinois

Permanent Tax Index No. 14-29-401-003-0000
14-29-401-004-0000

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Property of

LOT 4 AND 46 IN LILLS SUBDIVISION OF BLOCK 11 IN WILLIAM HILL AND HEIRS OF MICHAEL DIVERSEY'S ESTATE, A SUBDIVISION OF OUT LOTS 11 AND 12 IN CANAL TRUSTEES' SUBDIVISION OF THE EAST 1/2 OF SECTION 29, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

NOW, THEREFORE, the Mortgagor, to secure the payment of the Note with interest thereon and any renewals or extensions thereof, the payment of all other sums with interest thereon advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of the Mortgagor herein contained, does hereby mortgage, grant and convey to Mortgagee the following described real estate located in the Village/Town/City of Chicago, County of Cook State of Illinois:

WHEREAS, Mortgagor is indebted to Mortgagee in the principal sum of Two Hundred Seventy Five Thousand and No/100 Dollars, which indebtedness is evidenced by Mortgagor's Note of even date herewith (hereinafter referred to as the "Note"), which Note provided for payments of the indebtedness as set forth therein.

(hereinafter referred to as "Mortgagor") and LINCOLN NATIONAL BANK, a national banking association (hereinafter referred to as "Mortgagee");

THIS MORTGAGE made this 29th day of June, 1990, between Kenneth Margerum, a married man

MORTGAGE, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FINANCING STATEMENT

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[Handwritten signature]

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(a) Promptly repair, restore or rebuild any improvement now or hereafter on the property which may become damaged or destroyed.

2. In addition, the Mortgagor shall:

1. Mortgagor shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, and the principal of and interest on any future advances allowed under and secured by this Mortgage.

IT IS FURTHER UNDERSTOOD THAT:

Mortgagor covenants that Mortgagor is lawfully seized of the real estate hereby conveyed and has the right to mortgage, grant and convey the Premises, that the Premises is unencumbered and that Mortgagor will warrant and defend generally the title to the Premises against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Mortgagor's interest in the Premises.

Mortgage to be deemed to be real estate and conveyed and mortgaged hereby. use of the real estate, and shall be for the purposes of this part and parcel of the real estate and to be appropriated to the a unit and are hereby understood, agreed and declared to form all rights, hereby conveyed and mortgaged are intended so to be as annexed or not (except where otherwise hereinabove specified) and specifically mentioned. All of the land, estate and property hereinabove described, real, personal and mixed, whether annexed or no wise exclude or be held to exclude any items of property not that the enumeration of any specific articles of property shall in use, occupancy and enjoyment of the Premises, it being understood the Premises and distinguished from fixtures which relate to the trade fixtures used in the operation of any business conducted upon apparatus, equipment and articles, other than such as constitute including (without restricting the foregoing): all fixtures, (whether single units or centrally controlled), and ventilation, light, power, sprinkler protection, waste removal, refrigeration or thereon used to supply heat, gas, air conditioning, water, fixtures, apparatus, equipment or articles now or hereafter therein may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), and all profits thereof for so long and during all such times as Mortgagor and appurtenances thereto belonging, and all rents, issues and fixtures with all improvements, tenements, easements, fixtures

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ATTN: Michael J. Lynch

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Keep the Premises and all buildings and improvements now or hereafter situated on the Premises insured against loss or damage by fire and extended coverage, malicious mischief and vandalism and such other hazards in such amounts as may reasonably be required by mortgagee for the full insurable value thereof, but in any case in such amounts as to negate the mortgagee being a co-insurer in the event of the occurrence of a fire or other insurance casualty. Mortgagee shall also provide and keep in effect comprehensive public liability insurance with such limits for personal injury and death and property damage as mortgagee may reasonably require, and will also keep in effect upon the request of mortgagee rent loss insurance in such amounts as mortgagee may reasonably require. All policies of insurance to be furnished hereunder shall be in forms, with companies and in amounts reasonably satisfactory to mortgagee, with standard mortgage loss payable clause attached to all policies in favor of and in form satisfactory to mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to the mortgagee. Mortgagee shall deliver the original of all 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. If any renewal policy is not delivered to mortgagee thirty (30) days before the expiration of any existing policy or policies, with evidence of premium paid, mortgagee may, but is not obligated to, obtain the required insurance on behalf of

Pay immediately when due and payable and before any penalty attaches all general taxes, special taxes, special assessments, water charges, sewer service charges, and other taxes and charges against the Premises, including those heretofore due, and to furnish the Mortgagee, upon request, with the original or duplicate receipts therefor, and all such items extended against said property shall be conclusively deemed valid for the purpose of this requirement. To prevent default hereunder Mortgagee shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagee may desire to contest. Pursuant to the terms of the Note, the Mortgagee shall deposit monthly an amount sufficient to pay when due and payable all general taxes and said deposits may be held without any allowance of interest and need not be kept separate and apart.

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Subject to the provisions hereof, restore and rebuild any buildings or improvements now or at any time upon said property and destroyed by fire or other casualty so as to be of at least equal value and substantially the same character as prior to such damage or destruction. In any case where the insurance proceeds are made available for rebuilding and restoration, such proceeds shall be disbursed only upon the disbursing party being furnished with satisfactory evidence of the estimated cost of completion thereof and with architects' certificates, waivers of lien, contractors and subcontractors sworn statements and other evidence of cost and payment so that the disbursing party can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of mechanics lien claims. No payment prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed from time to time and at all times the undisbursed balance of such proceeds remaining in the hands of the disbursing party shall be at least sufficient to pay for the cost of completion of the work free and clear of liens. If the Mortgagee reasonably determines that the cost of rebuilding, repairing or restoring the buildings and improvements shall exceed the sum of \$50,000, then the Mortgagee shall

(e) complete within a reasonable time any buildings or improvements now or at any time in process of erection upon said property.

(d) all monthly payments due under the Note. hereby secured shall not excuse the Mortgagee from making any of the proceeds of such insurance to the indebtedness policies with Mortgagee. Application by the Mortgagee of renewed, and a deposit to the original of all such other and such separate insurance coverage is placed, issued or clause. Mortgagee covenants to advise Mortgagee whenever the payee under a standard mortgagee's loss payable such instance the Mortgagee herein is included therein as to be maintained under the terms hereof, unless in each loss, or liability insurance from the insurance required be placed or issued, any separate casualty, fire, rent covenants and agrees that it shall not place, or cause to sum remains due hereunder or under the Note, Mortgagee thereon at an interest rate which is two percent (2%) in excess of the rate set forth in the Note. So long as any shall become immediately due and payable with interest be so much additional indebtedness secured hereby and pay the premiums thereon. Any monies so advanced shall Mortgagee (or insurance in favor of Mortgagee alone) and

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approve plans and specifications of such work before such work shall be commenced. Any surplus which remains from said insurance proceeds after payment of such costs of building or restoring shall, at the option of the Mortgagee, be applied toward the indebtedness secured hereby or be paid to any party entitled thereto without interest.

(f) Keep said premises in good condition and repair without waste and free from any mechanics or other lien or claims of lien not expressly subordinated to the lien hereof.

(g) Not suffer or permit any unlawful use of or any nuisance to exist on said premises nor to diminish nor impair its value by any act or omission to act.

(h) Comply with all requirements of law or municipal ordinance with respect to the premises and the use thereof.

(a) In case of loss, the Mortgagee (or after entry of decree of foreclosure, purchaser at the sale, or the decree creditor, as the case may be) is hereby authorized to either: (1) settle and adjust any claim under any insurance policies without the consent of Mortgagee, or (2) allow Mortgagee to agree with the insurance company or companies on the amount to be paid upon the loss, provided, however, that the Mortgagee shall not have the right to exercise the powers granted in Paragraph 3(a) (1) hereof unless there is then existing an event of default hereunder or there has been entered a decree of foreclosure. In either case Mortgagee is authorized to collect and receipt for any such insurance money. In case of any such loss or damage, it, in Mortgagee's sole judgment and determination, the improvements to the premises cannot be restored and completed or in the event in Mortgagee's sole judgment and determination the funds collected from any such insurance settlements are deemed insufficient to pay for the full and complete restoration and repair of such damage, Mortgagee shall have the right to collect any insurance proceeds and apply the same toward payment of the indebtedness secured hereby, after deducting therefrom all expenses and fees of collection, with the further proviso that should the net insurance proceeds be insufficient to pay then existing indebtedness secured hereby together with all accrued interest, fees and charges, Mortgagee may, at its sole election, declare the entire unpaid balance to be immediately due and payable, and Mortgagee may then treat the same as in the case of any other default hereunder.

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In case of loss after foreclosure proceedings have been instituted, the proceeds of any such insurance policy or policies, if not applied as aforesaid in rebuilding or restoring the building or improvements, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceeding, and the balance, if any, shall be paid to the owner of the equity of redemption if he shall then be entitled to the same, or as the court may direct. In case of foreclosure of this Mortgage, the court in its decree may provide that the Mortgagee's clause attached to each said insurance policy may be canceled and that the Mortgagee may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said decree creditor; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statute in such case made and provided, then and in every such case, each successive redeemer may cause the preceding loss clause attached to each insurance policy to be canceled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event

(b)

If, however, there is not an event of default hereunder and in Mortgagee's sole judgment and determination, the damage sustained to the Premises can be restored in satisfactory time, and, further, in Mortgagee's sole discretion and determination, the funds recovered from such loss (either alone or with additional funds deposited by Mortgagee) are, in Mortgagee's judgment sufficient to pay the full and complete cost of such restoration, such funds will be made available for disbursement by Mortgagee on presentation of good and sufficient architect's certificates and waivers of lien; provided, however, that should any insurance company raise a defense against Mortgagee (but not against Mortgagee) to any claim for payment due to damage or of fire or other casualty submitted to Mortgagee or any party on behalf of Mortgagee, or should such company raise any defense against Mortgagee (but not against Mortgagee) to such payment, then Mortgagee may, at its option, whether or not Mortgagee has received funds from any insurance settlements, declare the unpaid balances to be immediately due and payable, and Mortgagee may then treat the same as in the case of any other default hereunder provided, however, that the Mortgagee shall not have the foregoing right so long as all payments due under the Note are being made and there is no other event of default hereunder.

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(c) The Note, this Mortgage, and all additional documents securing the Note, when executed and delivered by

additional documents securing the Note. contemplated by the provisions of this Mortgage and any upon any of its property or assets, except as any lien, charge or encumbrance of any nature whatsoever, instrument, or result in the creation or imposition of default under any indenture, agreement, or other constitute (with due notice and/or lapse of time) a in conflict with, nor will it result in breach of, or or any portion of the premises is bound; and (E) are not instrument to which Mortgagee is a party, or by which it agency of government or any indenture, agreement or other any provision of any law, any order of any court or all necessary governmental approval; (D) do not violate authorized by all requisite actions; (C) have received are within the powers of Mortgagee; (B) have been duly documents, and the borrowing evidenced by the Note: (A)

(b) The execution, delivery and performance by Mortgagee of

it. (iv) is in compliance with all laws, regulations, ordinances and order of public authorities applicable to its properties makes such qualifications necessary; and every jurisdiction in which the nature of its business or being conducted; (ii) is qualified to do business in own its properties and to carry on its business as now State of Illinois; (ii) has the power and authority to conditions prerequisite to its doing business in the the State of Illinois and has complied with all validly existing and in good standing under the laws of Mortgagee (i), is a Trustee under a Trust duly organized,

4. Mortgagee hereby represents and covenants to Mortgagee that:

act hereunder. premises or any improvements thereon or to perform any repair or replace any damaged or destroyed portion of the any amount owing on any insurance policy to rebuild, responsibility or obligation on the Mortgagee to collect (c) Nothing contained in this Mortgage shall create any

any of the said insurance policies. cause the interest of such purchaser to be protected by take such other steps as Mortgagee may deem advisable, to insurance policies to the purchaser at the sale, or to without the consent of Mortgagee, to assign any and all of foreclosure sale, Mortgagee is hereby authorized,

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In the case of a failure to perform any of the covenants herein, or if any action or proceeding is commenced which materially affects Mortgagee's interest in the Premises,

5. Any sale, conveyance, transfer, pledge, mortgage or other encumbrance of any right, title or interest in the premises or any portion thereof, or any sale, transfer or assignment (either outright or collateral) of all or any part of the beneficial interest in any trust holding title to the premises or any subordinate or secondary financing which results in a lien upon the premises, without the prior written approval of the Mortgagee shall, at the option of the Mortgagee, constitute a default hereunder, in which event the holder of the Note may declare the entire indebtedness evidenced by said Note to be immediately due and payable and foreclose this Mortgage immediately or at any time such default occurs; PROVIDED, HOWEVER, that sales, conveyances or transfers are permissible when and if the transferee's credit-worthiness and management ability are satisfactory to the Mortgagee, and the transferee has executed any and all assumption documents and satisfied any and all other requirements of the Mortgagee prior to such sale, conveyance or transfer.

(e) There is not now pending against or affecting Mortgagee or others obligated under the terms of this Mortgage and all other documents securing the payment of the Note, any action, suit or proceeding at law or in equity or by or before any administrative agency which adversely determined would materially impair or affect the financial condition or operation of Mortgagee or the Premises.

(d) All other information, reports, papers, balance sheets, statements of profit and loss, and data given to Mortgagee, its agents, employees, representatives or counsel in respect of Mortgagee or other obligated under the terms of this Mortgage and all other documents securing the payment of the Note are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Mortgagee a true and accurate knowledge of the subject matter.

Mortgagee, will constitute the legal, valid and binding obligations of Mortgagee, and other obligors named therein, if any, in accordance with their respective terms; subject, however, to such exculpation provisions as may be hereinafter specifically set forth.

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Time is of the essence hereof, and if default is made in performance of any covenant herein contained or contained in the Note or any other document evidencing and/or securing the indebtedness evidenced by the Note, or in making any payment under said Note or obligation or any extension or renewal thereof, or if proceedings be instituted to enforce any other lien or charge upon any of the Premises, or upon the filing of a proceeding in bankruptcy by or against the Mortgagor, or if the Mortgagor shall make an assignment for the benefit of its creditors or if its property be placed under control of or in custody of any court or officer of the government, or if the Mortgagor abandons the Premises, or fails to pay when due any charge or assessment (whether for insurance premiums,

8.

Dollars (\$) 500,000.00

It is the intent hereof to secure payment of the Note whether the entire amount shall have been advanced to the Mortgagor at the date hereof or at a later date, or having been advanced, shall have been repaid in part and further advances made at a later date, which advances shall in no event cause the principal sum of the indebtedness, plus any interest due thereon, plus any amount or amounts that may be added to the indebtedness under the terms of this Mortgage or any other document evidencing or securing the indebtedness evidenced by the Note, to exceed the sum of five hundred thousand and no/100

7.

proceed to foreclose the Mortgage. maturity of the indebtedness secured by this Mortgage or to act as a waiver of Mortgagee's right to accelerate the may do or omit to do hereunder nor shall any acts of Mortgagee shall not incur any personal liability because of anything it for any purpose nor to do any act hereunder; and the Mortgagee be construed as requiring the Mortgagee to advance any monies monies as above authorized, but nothing herein contained shall validity of any lien, encumbrance, or claim in advancing shall not be obligatory upon the Mortgagee to inquire into the proceeds of sale of said Premises if not otherwise paid. It foreclosing this Mortgage and be paid out of the rents or indebtedness hereby secured and may be included in any decree Note secured hereby shall become so much additional together with interest thereon at the rate set forth in the expenses, for any of the above purposes and such monies by the Mortgagee, including reasonable attorneys' fees and Mortgagee will repay upon demand any monies paid or disbursed act it may deem necessary to protect the lien hereof; and the behalf everything so covenanted; the Mortgagee may also do any bankrupt or decedent, the Mortgagee may do on the Mortgagee's code enforcement, or arrangements involving a including, but not limited to, eminent domain, insolvency,

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9. Upon the commencement of any foreclosure proceeding hereunder, the court in which such bill is filed may at any time, either before or after sale, and without regard to the solvency of the mortgagor or the then value of said premises, or whether redemption as a "homestead" or a receiver, with power to manage and rent and to collect the rents, issues and profits of said premises during the pendency of such foreclosure suit and the statutory period of redemption, and such rents, issues and profits, when collected, may be applied before as well as after the foreclosure sale, towards the payment of the indebtedness, costs, taxes, insurance or other items including the expenses of such receiver, or on any deficiency decree whether there be a decree therefor in personam or not, and if a receiver shall be appointed he shall remain in possession until the expiration of the full period allowed by statute for redemption, whether there be redemption or not, and until the issuance of a deed in case of sale, but it need be issued until the expiration of the statutory period during which it may be issued, and no lease of said premises shall be nullified by the appointment or entry in possession of a receiver but he may elect to terminate any lease prior to the lien hereof. Upon foreclosure of said premises, there shall be allowed and included as an additional indebtedness in the decree of sale all expenditures and expenses together with interest thereon at the rate of four percent (4%) above the interest rate as defined in the Note, which may be paid or incurred by or in behalf of the mortgagor for attorneys' fees, appraiser's fees, court costs and costs (which may be estimated as to and include items to be expended after the entry of the decree) and of procuring all such data with respect to title as mortgagor may reasonably deem necessary either to prosecute such suit or to evidence to bidders at any sale held pursuant to such decree the true title to or value of said premises; all of which aforesaid amounts, together with interest as herein provided, shall be

several parts separately.

made of the premises en masse without the offering of the foreclose this mortgage, and in any foreclosure a sale may be mortgagor, and said mortgage may also immediately proceed to remedied by mortgagor, and apply toward the payment of said mortgage indebtedness any indebtedness of the mortgagor to the immediately due and payable, whether or not such default be hereunder, to declare, without notice all sums secured hereby or the priority of said lien or any right of the mortgagor at its option, and without affecting the lien hereby created, said events, the mortgage is hereby authorized and empowered, maintenance, taxes, capital improvement), then and in any of

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10. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Mortgagee to any successor in interest of Mortgagee shall not operate to release in any manner the liability of the original Mortgagee and/or Mortgagee's successor in interest. Mortgagee shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sum secured by this Mortgage by reason of any demand made by the original Mortgagee and Mortgagee's successors in interest.
11. Any forbearance by Mortgagee in exercising any right or remedy hereunder or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Mortgagee shall not be a waiver of Mortgagee's right to accelerate the indebtedness secured by this Mortgage.
12. All remedies provided in this Mortgage are district and cumulative to any other right or remedy under this Mortgage or any other document, or afforded to Mortgagee by law or equity and may be exercised concurrently, independently or successively, at Mortgagee's sole discretion.
13. The covenants contained herein shall bind and the rights hereunder shall inure to the respective successors and assigns of Mortgagee and Mortgagee, subject to the provisions of Paragraph 5 hereof. All covenants and agreements of Mortgagee shall be binding upon the beneficiaries of Mortgagee and any other party claiming any interest in the Premises under Mortgagee.

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14. Except to the extent any notice shall be required under applicable law to be given in another manner, any notice to Mortgagee shall be given by mailing such notice by certified mail addressed to Mortgagee at 2995 Woodside Road, #400-325 Woodside, California 94062
15. Upon payment of all sums secured by this Mortgage, Mortgagee shall release this Mortgage without charge to Mortgagee. Mortgagee shall pay all costs of recordings of any documentation necessary to release this Mortgage.
16. Mortgagee assigns to Mortgagee and authorizes the Mortgagee to negotiate for and collect any award for condemnation of all or any part of the Premises. The Mortgagee may, in its discretion, apply any such award to amounts due hereunder, or for restoration of the Premises.
17. Mortgagee shall not and will not apply for or await itself of any appraisal, valuation, stay, extension or exemption of laws, or any so-called "moralistic laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. MORTGAGEE DOES HEREBY EXPRESSLY WAIVE ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OF DEGREE OF FORECLOSURE OF THIS MORTGAGE ON BEHALF OF MORTGAGEE AND EVERY PERSON EXCEPT DEGREE OF JUDGMENT CREDITORS OF THE MORTGAGEE IN THEIR REPRESENTATIVE CAPACITY AND OF THE TRUST ESTATE, ACQUIRING ANY INTEREST IN OR TITLE TO THE PREMISES SUBSEQUENT TO THE DATE OF THIS MORTGAGE.
18. Mortgagee shall upon reasonable notice have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.
19. Mortgagee and its beneficiaries will at all times deliver to the Mortgagee, upon its request, duplicate originals or certified copies of all leases, agreements and documents relating to the Premises and shall permit access by the Mortgagee to its books and records, insurance policies and other papers for examination and making copies and extracts thereof. The Mortgagee, its agents and designees shall have the right upon reasonable notice to inspect the Premises at

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- all reasonable times and access thereto shall be permitted for that purpose.
20. Mortgages 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 such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claims 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.
21. Mortgages, through its beneficiaries, shall maintain with the deposit non-interest bearing operating account for the Mortgages for so long as this Mortgage is in effect a demand Promises.
22. The Mortgages will (except to the extent paid by lessees) pay all utility charges incurred in connection with the Premises and all improvements thereon and maintain all utility services now or hereafter available for use at the Premises.
23. If the Premises are now or hereafter located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (the Act), the Mortgages will keep the Premises covered for the term of the note by flood insurance up to the maximum limit of coverage available under the Act.
24. This Mortgage shall be governed by the law of the State of Illinois. In the event one or more of the provisions contained in this Mortgage shall be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Mortgage.
25. In the event of a deficiency upon a sale of the Premises pledged hereunder by Mortgages, then the Mortgages' beneficiaries shall forthwith pay such deficiency, including all expenses and fees which may be incurred by the holder of the Note in enforcing any of the terms and provisions of this Mortgage.
26. Mortgages, through its beneficiaries, shall furnish to Mortgages an annual operating statement of income and expenses for the Premises signed and certified by the Mortgages'

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The Mortgagor represents and agrees that no rent has been or will be paid by any person in possession of any portion of the Premises for more than two installments in advance, and that the payment of none of the rents to accrue for any portion of the Premises has been or will be waived, released, reduced, discounted, or otherwise discharged or compromised by the Mortgagor. The Mortgagor waives any rights of set off against any person in possession of any portion of the Premises. Mortgagor

(b)

have upon taking possession of the Premises. rights of recourse and indemnity as the Mortgagor would to the same immunities, exoneration of liability and the Premises, with the same rights and powers and subject hereafter, and all now due or that may hereafter exist on issues and profits arising from or accruing at any time determine, and to collect all of said rents, rents, such terms as said Mortgagor shall, in its discretion, Premises to any party or parties at such rental and upon (Premises) to rent, lease or let all or any portion of the and stand (with or without taking possession of the the Mortgagor its true and lawful attorney in its name Mortgagor, and Mortgagor does hereby appoint irrevocably and agreements, and all the avals thereunder, unto the absolute transfer and assignment of all of such leases granted, it being the intention hereby to establish an or agreed to by the Mortgagor under the powers herein may be hereafter made or agreed to or which may be made or any part thereof, which may have been heretofore or of any agreement for the use or occupancy of the Premises lease, whether written or verbal, or any letting of, or which may hereafter become due under or by virtue of any Mortgagor does hereby sell, assign and transfer unto the Mortgagor all the rents, issues and profits now due and To further secure the indebtedness secured hereby,

28. (a)

gender shall be applicable to all genders. shall include the plural, the singular, and the use of any the note or this Mortgage. Wherever used, the singular number part thereof, whether or not such persons shall have executed all persons liable for the payment of the indebtedness or any include all persons claiming under or through Mortgagor and assigns of the parties hereto, and the word "Mortgagor" shall heirs, executors, administrators, successors, vendees and 27. All provisions hereof shall inure to and bind the respective

beneficiaries. Within fifteen days after demand by Mortgagor, the Mortgagor or beneficiary of Mortgagor shall deliver a certified rent roll and such other information as Mortgagor may request.

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(f) The Mortgagee shall not be obliged to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any lease, and the Mortgagee shall and does hereby agree to indemnify and hold the Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should the Mortgagee incur any such liability, loss or damage under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and the Mortgagee shall reimburse the Mortgagee therefor immediately upon demand.

(e) Although it is the intention of the parties that the assignment contained in this paragraph 28 shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that so long as Mortgagee is not in default hereunder or under the Note, it shall have the privilege of collecting and retaining the rents accruing under the leases assigned hereby, until such time as Mortgagee shall elect to collect such rents pursuant to the terms and provisions of this Mortgage.

(d) The Mortgagee further agrees to assign and transfer to the Mortgagee all future leases regarding all or any part of the premises heretofore described and to execute and deliver, at the request of the Mortgagee, all such further assurances and assignments in the premises as the Mortgagee shall from time to time require.

(c) Nothing herein contained shall be construed as constituting the Mortgagee as a mortgagee in possession in the absence of the taking of actual possession of the premises by the Mortgagee. In the exercise of the powers herein granted the Mortgagee, no liability shall be asserted or enforced against the Mortgagee, all such liability being expressly waived and released by Mortgagee.

agrees that it will not assign any of the rents or profits of the premises, except to a purchaser or grantee of the premises.

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31. (a) Mortgagor represents and agrees that to the best of its knowledge the Premises are in compliance with all "Environmental Laws" (as hereinafter defined); that there are no conditions existing currently or likely to exist during the term of the Note that require or are likely to require cleanup, removal or other remedial action pursuant to any Environmental Laws; that Mortgagor is not a party to any litigation or administrative proceeding, nor, to the best of Mortgagor's knowledge, is there any litigation or administrative proceeding contemplated or threatened which would assert or allege any violation of any subject to any judgment, decree, order or citation

30. Mortgagor and Mortgagee acknowledge and agree that in no event shall Mortgagee be deemed to be a partner or joint venturer with Mortgagor or any beneficiary of Mortgagor. Without limitation of the foregoing, Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the indebtedness secured hereby, or otherwise.

(d) To the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

(c) To the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Premises, and of placing said property in such condition as will, in the judgment of the Mortgagee, make it readily rentable;

(b) To the payment of taxes and special assessments now due or which may hereafter become due on the Premises;

(a) To the payment of the operating expenses of the Premises, including cost of management and leasing thereof (which shall include reasonable compensation to the Mortgagee and its agent or agents, if management be delegated to any agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;

29. The Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it by Paragraph 28 hereof, shall have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as the Mortgagee may determine:

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related to or arising out of any Environmental Laws; and that no permits or licenses are required under any Environmental Laws regarding the Premises. The term "Environmental Laws" shall mean any and all federal, state and local laws, statutes, regulations, ordinances, codes, rules and other governmental restrictions or requirements relating to the environment or hazardous substances, including without limitation the Federal Solid Waste Disposal Act, the Federal Clean Air Act, and the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976 and the Federal Comprehensive Environmental Responsibility, Cleanup and Liability Act of 1980, as well as all regulations of the Environmental Protection Agency, the Nuclear Regulatory Agency and any state department of natural resources or state environmental protection agency now or at any time hereafter in effect. Mortgagor covenants and agrees to comply with all applicable Environmental Laws; to provide to Mortgagor immediately upon receipt copies of any correspondence, notice, pleading, citation, indictment, complaint, order or other document received by Mortgagor asserting or alleging a circumstance or condition that requires or may require a cleanup, removal or other remedial action under any Environmental Laws, or that seeks criminal or punitive penalties for an alleged violation of any Environmental Laws; and to advise Mortgagor in writing as soon as Mortgagor becomes aware of any condition or circumstance which makes any of the representations or statements contained in this Paragraph 31 (a) incomplete or inaccurate. In the event the Mortgagor determines in its sole and absolute discretion that there is any evidence that any such circumstance might exist, whether or not described in any communication or notice to either Mortgagor or Mortgagor, at its own expense and at the request of Mortgagor to permit an environmental audit to be conducted by Mortgagor or an independent agent selected by Mortgagor. This provision shall not relieve Mortgagor from conducting its own environmental audits or taking any other steps necessary to comply with any Environmental Laws. If, in the opinion of Mortgagor, there exists any uncorrected violation by Mortgagor of an Environmental Law or any condition which requires or may require any cleanup, removal or other remedial action under any Environmental Laws, and such cleanup, removal or other remedial action is not completed within sixty (60) days from the date of written notice from Mortgagor to Mortgagor, the same shall, at the option of Mortgagor, constitute a default hereunder, without further notice or cure period. It is expressly understood that the

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This Mortgage shall be deemed a Security Agreement as defined in the Illinois Commercial Code. This Mortgage creates a security interest in favor of Mortgagee in all property including all personal property, fixtures and goods affecting property either referred to or described herein or in anyway connected with the use or enjoyment of the premises. The remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be (i) as prescribed herein, or (ii) by general law, or (iii) as to such part of the security which is also reflected in any financing statement filed to perfect the security interest herein created, by the specific statutory consequences now or hereinafter enacted and specified in the Illinois Commercial Code, all at Mortgagee's sole election. Mortgagee and Mortgagee agree that the filing of such a financing statement in the records normally having to do with personal property shall never be construed as in anywise derogating from or impairing this declaration and the hereby stated intention of the parties hereto that everything used in connection with the production of income from the premises and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such items is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with the Mortgagee, or (iii) any such item

(a) 32.

Mortgagee. Mortgagee shall be deemed a Security Agreement as defined in the Illinois Commercial Code. This Mortgage creates a security interest in favor of Mortgagee in all property including all personal property, fixtures and goods affecting property either referred to or described herein or in anyway connected with the use or enjoyment of the premises. The remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be (i) as prescribed herein, or (ii) by general law, or (iii) as to such part of the security which is also reflected in any financing statement filed to perfect the security interest herein created, by the specific statutory consequences now or hereinafter enacted and specified in the Illinois Commercial Code, all at Mortgagee's sole election. Mortgagee and Mortgagee agree that the filing of such a financing statement in the records normally having to do with personal property shall never be construed as in anywise derogating from or impairing this declaration and the hereby stated intention of the parties hereto that everything used in connection with the production of income from the premises and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such items is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with the Mortgagee, or (iii) any such item

(b)

foregoing does not prohibit or prevent Mortgagee's right to contest any ordered cleanup through all appropriate administrative and judicial proceedings.

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35. Mortgagor will protect, indemnify and save harmless Mortgagee from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation attorneys' fees and expenses) imposed upon or incurred by or asserted against Mortgagee by reason of (a) the ownership of the Premises or any interest therein or receipt of any rents, issues, proceeds or profits therefrom; (b) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Premises or any part thereof or on the adjoining sidewalks, or curbs, adjacent parking areas, streets or ways; (c) any use, nonuse or condition in, on or about the Premises or any part thereof or on the adjoining sidewalks, curbs, the adjacent parking areas, streets or ways; (d) any failure on the part of Mortgagor to perform or comply with any of the terms of this Mortgage; or (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof. Any amounts payable to Mortgagee by reason of the application of this paragraph shall constitute additional indebtedness which is secured by this Mortgage and shall become immediately due and payable upon demand therefor and shall bear interest at four percent (4%) in excess of the Interest Rate from the date loss or damage is

34. In the event of the enactment after this date of any law imposing a tax upon the issuance of the Note or deducting from the value of the Premises for the purpose of taxation any lien on the land, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens required in this Mortgage 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 by this Mortgage or the holder of this Mortgage, then, and in any such event, the Mortgagor, upon demand of the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee for such taxes and assessments; provided, however, that if in the opinion of counsel for the Mortgagee it might be unlawful to require Mortgagor to make such payments, then and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured by this Mortgage to be and become due and payable sixty (60) days from the giving of such notice.

(c) This document covers goods which are to become fixtures.

LINCOLN NATIONAL BANK
 3959 N. Lincoln Ave.
 Chicago, IL 60613

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sustained by Mortgagee until paid. The obligations of Mortgagor under this paragraph shall survive any termination or satisfaction of this Mortgage.

Kenneth Margerum

STATE OF ILLINOIS)
)
 COUNTY OF COOK)

SS.

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY THAT
Kenneth Margerum

_____ who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such _____

_____, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Bank as Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 29th day of June 19 90.

Notary Public

My commission expires:

MORTGAGE NOTE

\$ _____
 (Amount)

 (Date)

90324900

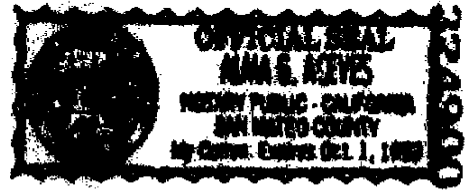
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STATE OF CALIFORNIA }
COUNTY OF San Mateo } ss.

On this 29th day of June, in the year
1990, before me, the undersigned, a Notary Public in
and for said County and State, personally appeared
Kenneth J. Bergeron

~~known to me~~ (or proved to me on the basis of satisfactory
evidence) to be the person whose name
is subscribed to the within instrument and
acknowledged that he executed the
same.

Signature Alma G. Acoves
Alma G. Acoves
Name (Typed or Printed)
Notary Public in and for said County and State



FOR NOTARY SEAL OR STAMP

F2492 R 6/84

CHICAGO TITLE
INDIVIDUAL

State

State

06972106

San Mateo County Clerk's Office