

UNOFFICIAL COPY

90366134

[Space Above This Line For Recording Data]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on June 22, 1990. The mortgagor is Edward Atkins and Cathy Gilford Atkins, his wife ("Borrower"). This Security Instrument is given to affiliated Bank / North Shore National, a National Banking Association, which is organized and existing under the laws of the United States of America, and whose address is 1737 W. Howard Street Chicago, Illinois 60626 ("Lender").

Borrower owes Lender the principal sum of Six Hundred Forty Thousand Seven Hundred Thirty Five Dollars (U.S. \$ 640,735.39). This debt is evidenced by Borrower's Note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on Demand. 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 _____ County, Illinois:

LOT 4 IN BALIN'S RESUBDIVISION OF PORTIONS OF LOTS 17 AND 18 IN WESTWOOD ACRES, BEING A SUBDIVISION IN THE WEST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 1 TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

DEPT-01 RECORDING \$19.00
 TR2222 TRAN 3309 07/30/90 14:06:00
 #2065 # B *-90-366134
 COOK COUNTY RECORDER

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

THIS LOAN IS FOR BUSINESS PURPOSE ONLY.
 PIN # 04-01-416-012

which has the address of 1279 Pine Court Glencoe
 60022 (Street) (City)
 Illinois ("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.

Box 420

1990

90366134

UNOFFICIAL COPY

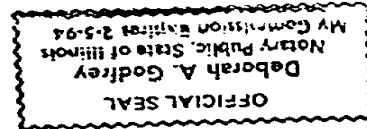
BankForm 1, Inc.

John McGuire
Affiliated Bank/North Shore National
1737 W. Howard Street
Chicago IL 60626

Mail to:

Prepared by: Jenny Fischbach
for Affiliated Banc Group, Inc

(Space Below This Line Reserved For Lender and Recorder)



Deborah A. Godfrey
Notary Public

My Commission expires:

Given under my hand and official seal, this 22nd day of June, 1990

set forth:

signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they personally known to me to be the same person(s) whose name(s) are

do hereby certify that Edward Atkins and Cathy Gifford Atkins

I, Deborah A. Godfrey Notary Public in and for said county and state, County ss: Cook

Edward Atkins (Seal) Borrower
Cathy Gifford Atkins (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

Instrument. [Check applicable box(es)]

23. Riders 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 each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

22. Waiver 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 costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

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, reasonable attorneys' fees and costs of title evidence.

903661334

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 attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (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 the deposits 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. 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 debit 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 attain priority over 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 owed 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 which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests 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 attain priority over 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 amounts 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 under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting 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 at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

90366134

UNOFFICIAL COPY

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 authorization 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 an 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 charges 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 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 15 or 17.

92199206

UNOFFICIAL COPY

*RIDER TO MORTGAGE

Mortgagor is indebted to Mortgagee arising out of a certain Corporate Note ("Promissory Grid Note") and a Secured Guaranty, a copy of said Promissory Grid Note and Secured Guaranty is attached hereto as Exhibit "A" and "B" respectively, and made a part hereof; that the full and 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 Secured Guaranty.

Now, therefore, Edward M. Atkins and Cathy Gilford Atkins, his wife, to secure payment of said Note and all promissory notes thereafter executed by Surgical Partners DBA North Shore Outpatient and to secure payment of said Guaranty and all Guaranties thereafter executed by Edward M. Atkins and Cathy Gilford Atkins, his wife evidencing future advances and loans made by Affiliated Bank/North Shore National to or for the account of Edward M. Atkins and Cathy Gilford Atkins, his wife and all renewals or refinancings of the said notes and guaranties, and to secure payment of all other obligations and indebtedness now or hereafter due from Edward M. Atkins and Cathy Gilford Atkins, his wife and Surgical Partners DBA North Shore Outpatient including, but not limited to, advances made by Affiliated Bank/North Shore National in accordance with the terms, provisions and limitations of this Mortgage and the performance of the covenants and agreements herein contained.

Mortgagors have previously executed and delivered to North Shore/National Bank of Chicago N/K/A Affiliated Bank/North Shore National a certain Mortgage dated 5-19-86 and registered 5-21-86 as Document 86203580 (the "Prior Mortgage") which secures a Note for \$220,000.00 (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 have been accelerated or whether the Prior Mortgage one 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 any 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."

00366134

EXHIBIT A UNOFFICIAL COPY PROMISSORY NOTE (Multi)

FOR BANK USE ONLY			
Loan A/C # _____	Class Code _____	Risk _____	Line of Credit _____
Disbursement A/C # _____	Check # _____	Letter of Director _____	
Review Date _____	Officer _____	Disbursement Date _____	Part Sold _____
Note Teller _____	Special Instructions: _____		
Approved _____	NU/Renewal _____		

No. _____ Due June 22 1991 Date June 22 1990 Amount \$ 640,735.39

FOR VALUE RECEIVED, the Undersigned, jointly and severally, promise to pay to the order of Affiliated Bank/North Shore National ("Bank")

at its office in Chicago, Illinois, the principal sum of _____ Dollars payable as follows:
Six Hundred and Forty Thousand Seven Hundred and Thirty Five/100

- ON DEMAND
- In full on _____ 19____
- In 12 successive Principal installments of \$ 8,500.00 each beginning on July 22 1990 and continuing on the same day of each consecutive month thereafter until this Note is fully paid, except that the final installment in the amount of \$ balance shall be due and payable on June 22 1991.

TOGETHER WITH INTEREST FROM DATE on the principal amount from time to time unpaid at the following rate:
 _____ % per annum fixed rate
 At a variable rate of 3 % per annum above the prime rate of the Bank announced or published publicly from time to time, such rate to be changed on the day 30 days said prime rate is changed.

- Interest shall be paid as follows:
- In successive monthly installments concurrently with the principal payments.
 - In successive quarterly installments concurrently with the principal payments.
 - In full at maturity. Monthly Quarterly Semiannually

Interest shall be computed on the basis of a 360 day year and charged for the actual number of days elapsed. All payments shall be first applied to accrued interest to the date of payment with the remainder, if any, applied to the balance of principal. After maturity, interest shall accrue on any balance remaining due and owing at the rate of 5 % per annum above the prime rate of the Bank.
 In the event of non-payment when due of any amount payable on this Note or default in the payment or performance of any other obligation or indebtedness of the Undersigned to the Bank, or if the Bank for reasonable cause shall deem itself insecure, then this Note and all other indebtedness of the Undersigned to the Bank, at the option of the Bank, shall immediately become due and payable, without notice or demand on the Undersigned, together with all expenses, costs and attorneys' fees incurred or expended by the Bank in enforcing its rights hereunder which shall become additional indebtedness immediately due and payable hereon.

To further secure the payment of this Note the Undersigned, jointly and severally, hereby irrevocably authorize any attorney of any court of record to appear for them, or any of them, in such court in term, time or vacation, at any time after default hereon and confess a judgment without process against them, or any one of them, in favor of the holder of this Note for such sums as may appear to be unpaid and owing thereon together with interest, costs and attorneys' fees, and to waive and release all errors which may intervene in such proceeding and consent to immediate execution upon such judgment, hereby ratifying and confirming all that said attorney may do by virtue hereof.

The Bank may, at any time or times hereafter, without notice, act for use and apply toward the payment of this Note any moneys, credits, deposits, checks, accounts, drafts, securities, certificates of deposit or other property belonging to the Undersigned, or any one or more of them, in the possession of or under the control of the Bank, as well as any indebtedness of the Bank to the Undersigned, then due or to become due, including without limitation, any and all balances, credits, deposits, accounts, certificates of deposit or moneys of any one or more of the Undersigned, and Bank is hereby given a first and prior lien upon such moneys, credits, indebtedness and other property of the Undersigned.

The Undersigned and all endorsers and guarantors severally waive present, demand, notice of dishonor and all other notices and demand in connection with the enforcement of the Bank's rights hereunder, and hereby consent to and waive notice of (a) any renewals, extensions or modifications hereof, and (b) the release with or without consideration of any of the Undersigned. Any failure of the Bank to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or any other right at any other time. The validity and construction of this Note shall be governed by the laws of the State of Illinois.

This Note is secured by one or more security agreements, real estate trust deeds or mortgages, collateral assignments of beneficial interest and assignment of rents.

BUSINESS PURPOSE STATEMENT (to be executed by non-corporate borrower)

To induce Lender to make the loan evidenced by this Note, the Undersigned represents to Lender as follows:

- (1) The Undersigned owns and operates a business enterprise under the name _____
- (2) The proceeds of the loan will be used solely for the following commercial, agricultural or industrial purpose _____
- (3) The loan is a business loan within the purview of Paragraph 640(c), Chapter 17, III Rev. Stat. and is exempt from the disclosure requirements of the Federal Truth-in-Lending Act.

Dated _____ Signature _____ Signature _____

Address 815 W. Howard Street
Evanston, Il. 60202
36-3548018
 Telephone _____

SIGNATURE(S) OF BORROWER(S)
 Surgical Partners d/b/a
 x North Shore Outpatient Treatment Center
 x By: Edward Atkins, M.D.
 Edward Atkins, M.D.
 x
 x

90366134

SECURED GUARANTY

FOR VALUE RECEIVED and in consideration of any loan or other financial accommodation heretofore or hereafter at any time made or granted to Surgical Partners d/b/a North Shore Outpatient Treatment Center

(hereinafter called the "Debtor") by AFFILIATED BANK/ North Shore National

(hereinafter, together with its successors and assigns, called the "Bank"), the undersigned hereby unconditionally guaranteed(s) the full and prompt payment when due, whether by declaration or otherwise, and at all times thereafter, of all obligations of the Debtor to the Bank, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due (all such obligations being hereinafter collectively called the "Liabilities"), and the undersigned further agree(s) to pay all expenses (including attorneys' fees and legal expenses) paid or incurred by the Bank in endeavoring to collect the Liabilities, or any part thereof, and in enforcing this guaranty.

The right of recovery against the undersigned is, however, limited to the amount of Six Hundred and Forty Thousand Seven Hundred Thirty Five and 39/100 Dollars (\$ 640,735.39) plus interest on such amount and plus all expenses of enforcing this guaranty.

In the event of the death, incompetency, dissolution or insolvency of the Debtor, or the inability of the Debtor to pay debts as they mature, or an assignment by the Debtor for the benefit of creditors, or the institution of any proceeding by or against the Debtor alleging that the Debtor is insolvent or unable to pay debts as they mature, and if such event shall occur at a time when any of the Liabilities may not then be due and payable, the undersigned agree(s) to pay to the Bank, upon demand, the full amount which would be payable hereunder by the undersigned if all Liabilities were then due and payable.

The Bank may, without demand or notice of any kind, at any time when any amount shall be due and payable hereunder by any of the undersigned, appropriate and apply toward the payment of such amount, and in such order of application as the Bank may from time to time elect, any property, balances, credits, deposits, accounts or moneys of such undersigned in the possession or control of the Bank for any purpose.

This guaranty shall be a continuing, absolute and unconditional guaranty and shall remain in full force and effect as to the undersigned, subject to discontinuance of this guaranty as to any of the undersigned (including, without limitation, any undersigned who shall become deceased, incompetent or dissolved) only as follows: any of the undersigned, and any person duly authorized and acting on behalf of any of the undersigned, may give written notice to the Bank of discontinuance of this guaranty as to the undersigned by whom or on whose behalf such notice is given, but no such notice shall be effective in any respect until it is actually received by the Bank and no such notice shall affect or impair the obligations hereunder of the undersigned by whom or on whose behalf such notice is given with respect to any Liabilities existing at the date of receipt of such notice by the Bank, any interest thereon or any expenses paid or incurred by the Bank in endeavoring to collect such Liabilities, or any part thereof, and in enforcing this guaranty against such undersigned. Any such notice of discontinuance by or on behalf of any of the undersigned shall not affect or impair the obligations hereunder of any other of the undersigned.

The Bank may, from time to time, without notice to the undersigned (or any of them), (a) retain or obtain a security interest in any property to secure any of the Liabilities or any obligation hereunder, (b) retain or obtain the primary or secondary liability of any party or parties, in addition to the undersigned, with respect to any of the Liabilities, (c) extend or renew for any period (whether or not longer than the original period), alter or exchange any of the Liabilities, (d) release or compromise any liability of any of the undersigned hereunder or any liability of any other party or parties primarily or secondarily liable on any of the Liabilities, (e) release its security interest, if any, in all or any property securing any of the Liabilities or any obligation hereunder and permit any substitution or exchange for any such property, and (f) resort to the undersigned (or any of them) for payment of any of the Liabilities, whether or not the Bank shall have resorted to any property securing any of the Liabilities or any obligation hereunder or shall have proceeded against any other of the undersigned or any other party primarily or secondarily liable on any of the Liabilities.

This guaranty is secured by a *over

of 1279 Pine Court, Glencoe, IL 60022 (mortgage, pledge, etc.)

(describe: real estate, securities, etc.)

Dated June 22, 1990

Any amount received by the Bank from whatsoever source and applied by it toward the payment of the Liabilities shall be applied in such order of application as the Bank may from time to time elect.

The undersigned hereby expressly waives: (a) notice of the acceptance of this guaranty; (b) notice of the existence or creation of all or any of the Liabilities; (c) presentment, demand, notice of dishonor, protest, and all other notices whatsoever; and (d) all diligence in collection or protection of or realization upon the Liabilities or any thereof, any obligation hereunder, or any security for any of the foregoing.

The creation or existence from time to time of Liabilities in excess of the amount to which the right of recovery under this guaranty is limited is hereby authorized, without notice to the undersigned (or any of them), and shall in no way affect or impair this guaranty.

The Bank may, without notice of any kind, sell, assign or transfer all or any of the Liabilities and in such event each and every immediate and successive assignee, transferee, or holder of all or any of the Liabilities, shall have the right to enforce this guaranty, by suit or otherwise, for the benefit of such assignee, transferee or holder, as fully as if such assignee, transferee or holder were herein by name specifically given such rights, powers and benefits, but the Bank shall have an unimpaired right, prior and superior to that of any such assignee, transferee or holder, to enforce this guaranty for the benefit of the Bank, as to so much of the Liabilities as it has not sold, assigned or transferred.

No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. No action of the Bank permitted hereunder shall in any way impair or affect this guaranty. For the purposes of this guaranty, Liabilities shall include all obligations of the Debtor to the Bank, notwithstanding any right or power of the Debtor or anyone else to assert any claim or defense as to the invalidity or unenforceability of any such obligation, and no such claim or defense shall impair or affect the obligations of the undersigned hereunder.

The Undersigned waives any claim or other right which the Undersigned may now have or hereafter may acquire against the Debtor or any other person who is primarily or contingently liable on the guaranteed obligations that arise from the existence or performance of the Undersigned's obligations under this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, indemnification, and right to participate in any claim or remedy of the Bank against the Debtor or any collateral security therefor, which the Bank now has or hereafter acquires, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

This guaranty shall be binding upon the undersigned, and upon the heirs, legal representatives, successors and assigns of the undersigned. If more than one party shall execute this guaranty, the term "undersigned" shall mean all parties executing this guaranty, and all such parties shall be jointly and severally obligated hereunder.

This guaranty has been made and delivered at Chicago, Illinois, and shall be 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 provision 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.

Guarantors assume all responsibility for being and keeping themselves informed of Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the indebtedness and the nature, scope, and extent of the risks which Guarantors assume and incur hereunder, and agree that Bank shall have no duty to advise Guarantors of information known to it regarding such circumstances or risks.

SIGNED AND DELIVERED by the undersigned, at Chicago, Illinois, this 22nd day of June 22, 1990. Edward M. Atkins, Cathy Wilford Atkins, Cathy Wilford Atkins, his wife

90366134

UNOFFICIAL COPY

"This Secured Guaranty is further secured by a certain Mortgage of even date herewith executed by Edward M. Atkins & Cathy Gilford Atkins, his wife ("Mortgage") which pertains to certain real estate located at 1279 Pine Court Glencoe, Il, Cook County, Illinois, and legally described in the Mortgage (Real Estate"), and is further secured by the other loan and Security Documents ("Loan Documents") (as defined in the Mortgage) all of which documents bear even date herewith, which are made part hereof and which are hereby incorporated by reference. In case of any default(s) under the terms, covenants and provisions of said Mortgage and/or this Secured Guaranty and Loan Documents then at option of Affiliated Bank/ North Shore National any such default(s) shall be considered a default(s) under the terms of this Secured Guaranty."

90J6135

Property of Cook County Clerk's Office