

INDEMNIFYING REAL ESTATE MORTGAGE

This Mortgage made the 18th day of JUNE, 1992 by AMERICAN NATIONAL BANK, AS TRUSTEE UNDER TRUST AGREEMENT DATED MAY 8, 1990, TRUST NUMBER 2040-846 of 814 Sterling Avenue, Flossmoor, Illinois, hereinafter referred to as "Mortgagor" unto Gainer Bank, National Association, of 8585 Broadway, Suite 460, Merrillville, Indiana, hereinafter referred to as "Mortgagee",

WITNESSETH:

This Mortgage is given in consideration of any loan or other financial accommodations by Gainer Bank, National Association to AEN Industries, Inc., an Illinois corporation, and specifically to secure the payment of certain notes herewith, and any extensions, modifications, renewals or replacements thereof or substitutions therefor, not to exceed in the aggregate the principal sum of Four Hundred Thirty Thousand and NO/100----- Dollars (\$430,000.00) given to Gainer Bank, National Association by AEN Industries, Inc., an Illinois corporation (hereinafter, "Borrower"), payable as therein provided, and to further secure the guaranty of said notes by Michael Schreiber (hereinafter, "Guarantors") and for the purpose of securing the repayment of said obligations, and to indemnify the Mortgagee from any loss or damage that it may incur by the failure of said obligations to be paid as agreed, the undersigned hereby mortgage and warrant to the Mortgagee, the property situated in Cook County, State of Illinois, described as follows, to-wit:

Lot 3, in Block 12, in the subdivision of 54.55 acres in the Southeast Quarter of Section 1, Township 35 North, Range 13 East of the Third Principal Meridian, according to the Plat thereof recorded March 11, 1912 as document #4926872 in Cook County, Illinois,
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together with all buildings, improvements, structures, appurtenances, fittings, and fixtures attached, erected or used in connection with the property or hereafter acquired attached, erected, appurtenant or used in connection with the property, including but not limited to storm and screen windows and doors, cabinets, bathroom fixtures, drapes, shades, floor coverings, stoves, refrigerators and other appliances, gas, steam, electric and other air-conditioning, heating, and lighting apparatus, all of which are to be deemed to be a part of the property, whether; physically attached or not, together with all rents, issues, income, profits, rights, privileges, interests, easements and hereditaments thereof (hereinafter, "Property").

And that said Mortgagor does covenant with the said Mortgagee as follows: First, that Mortgagor is lawfully seized of the Property in fee simple; Second, that Mortgagor has a good right to convey the same; Third, that the same are free from all liens and encumbrances except as set out in Clause 5 below; Fourth, that the Mortgagee shall quietly enjoy and possess the same; and that the Mortgagor will warrant and defend the title to the same against all lawful claims.

The Mortgagor for himself, herself, his, her heirs, executors, administrators, successors, and assigns, covenants and agrees with the Mortgagee, its successors and assigns as follows:

1. If there is a default in the payment of any obligations hereby secured or in the performance of any of the Mortgagor's, Borrower's, or Guarantor's, covenants set forth in this Mortgage or other instruments signed in conjunction with the obligations this mortgage secures, or if Mortgagor should abandon the Property, or if the Property or any part thereof should be attached, levied upon or seized, or if the Mortgagor, Borrower, or Guarantor, should become bankrupt or insolvent or make an assignment for the benefit of creditors or if a receiver should be appointed for the Mortgagor, Borrower, or Guarantor, then all obligations secured hereby shall, at Mortgagee's option, become immediately due and payable, without notice or demand, and the

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Property shall be subject to foreclosure of this Mortgage, and the Mortgagee, if it elects to foreclose the same, and at any time prior to the expiration of any period of redemption following judicial sale, shall become entitled to the immediate possession of the Property together with all the rents, issues, income and profits therefrom and Mortgagor will pay costs and attorney's fees incurred by Mortgagee in the enforcement of the terms of the above mentioned Mortgage. Mortgagor waives all right of homestead exemption in the property.

2. For the duration of any obligation hereby secured: (a) The Mortgagor will keep the Property in its present state of repair, normal wear and tear excepted; (b) Mortgagor will pay all taxes and assessments imposed on the Property and will otherwise take such action and exercise such forbearance as may be necessary in order that the Property shall not hereafter become subject to any lien or encumbrance superior to this Mortgage; (c) Mortgagor will procure and maintain insurance with insurance companies acceptable to Mortgagee, against damage to or destruction of the improvements included in Property by fire and windstorm or by any cause customarily included in the terms "extended coverage" such insurance to be in a sum not at any time less than the value of such improvements or the total of the obligations then hereby secured, plus all taxes, assessments and indebtedness then secured by any liens or encumbrances superior hereto on the Property whichever is smaller, and to be payable to the Mortgagee as its interest may appear; (d) Mortgagor will deliver the policy or a certificate evidencing said insurance to the Mortgagee and will allow Mortgagee possession of the same, and the Mortgagee may collect the proceeds of any insurance. Mortgagor appoints Mortgagee as his attorney-in-fact to endorse any insurance checks and drafts payable to him; (e) This Mortgage and the obligations secured hereby may not be assumed, there can be no transfer or sale of any interest in the Mortgagor or any beneficial interest in Mortgagor, if Mortgagor is not a natural person but is a corporation, partnership, Trust, or other legal entity, without prior written consent of the Mortgagee; (f) Mortgagor will pay and keep current any mortgage on the Property that is superior to this Mortgage and immediately advise Mortgagee in writing of his failure to do so; (g) Mortgagor will not further mortgage or encumber the Property in any way without the express written consent of the Mortgagee. This prohibition shall include the Mortgagor borrowing any future monies from any senior mortgage holder under any "other indebtedness" or "future advance" clause without the prior written consent of the Mortgagee; (h) Mortgagor shall not allow any judgment liens; mechanic's liens or other liens of any nature or kind to be placed against the Property, and if such lien or liens should be affixed or placed on the Property, Mortgagor shall immediately advise Mortgagee of this fact in writing and cause said lien to be satisfied and released within five (5) days from the entry thereof.

3. If the Mortgagor shall fail to make any payment or to obtain any insurance, service or materials or pay or remove any liens on the Property necessary for the performance of any of Mortgagor's covenants above set forth, then the Mortgagee at its option may do so, and its expenditures for any such purpose shall be added to and become part of the obligations hereby secured. Any amount so added shall, from the date of payment thereof by the Mortgagee, bear interest at the rate of interest set forth in the obligation.

4. The Mortgagee at its option may extend the time or the payment of any obligation hereby secured, or reduce the payments thereon, or accept a note or renewal note therefor, or release any part of the security, or any person liable for the obligations without consent of any junior lienholder, and without the consent of the Mortgagor. No such extension, reduction, renewal or release shall affect the priority of this Mortgage or impair the security hereof in any manner whatsoever, or release, discharge or affect in any manner the personal liability of the Mortgagor to the Mortgagee. No delay by the Mortgagee in the exercise of any of its rights hereunder shall preclude the

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exercise thereof so long as the Borrower is in default of any of the obligations hereby secured and no failure of the Mortgagee to exercise any of its rights because of one default shall preclude the exercise thereof for a subsequent default. The Mortgagee may enforce any one or more of its rights or remedies hereunder successively or concurrently.

5. That the Property mortgaged hereby is free, clear and unencumbered except as to (a) real estate taxes not yet due; (b) usual easements, covenants and restrictions of record; (c) real estate mortgages dated April 8, 1991 and recorded April 22, 1991 to American National Bank of Lansing in the original amount of \$187,450.00 and \$55,550.00 as document numbers 91183634 and 911836635, respectively; (d) Other: None.

6. In the event this Mortgage is subject to a Mortgage set out in the paragraph above, or any other mortgage or encumbrance and that prior mortgage or encumbrance is in default or is foreclosed upon, or in the event Mortgagor without Mortgagee's prior written consent, sells or transfers any interest in this Property, then at the option of the Mortgagee, this Mortgage and the obligations it secures shall become immediately due and payable in full, and further, that the Mortgagee may immediately foreclose this Mortgage, all without any notice or demand whatsoever.

7. That the Mortgagor will indemnify and save harmless from, and repay on demand the Mortgagee for, any loss, damage, expense, or attorney's fees which may be incurred by the Mortgagee by reason of any suit or proceeding to which the Mortgagee is made a party or account of this Mortgage, and any loss, damage, expense, or attorney's fees so incurred by the Mortgagee is made a part of the obligations secured by this Mortgage.

8. That the Mortgagee shall, at its option, be entitled to be subrogated to any demand, lien, claim or right paid or satisfied by or with the monies advanced and hereby secured, and that the Mortgagee herein may, at any time or times in succession, without notice, extend the time of payment of the obligations hereby secured, or any part thereof, to any person or persons then under obligation to pay the same or affected by the lien hereby created, upon such terms as may be agreed upon by the Mortgagee and the party requesting the extension, without impairing in any way the lien or priority of this Mortgage.

9. That all agreements and representations of the Mortgagor herein contained are made also for the benefit of any assignee of the Mortgagee.

10. That all rights and remedies secured to the Mortgagee by the covenants and agreements contained in this Mortgage are to be deemed cumulative and not in any way in derogation of the rights of the Mortgagee under laws of the State of Illinois.

11. The covenants, agreements, and conditions hereof shall be binding upon the Mortgagor and the heirs, personal representatives, successors, and assigns of the Mortgagor, and shall inure to the benefit of the Mortgagee and its successors and assigns. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

THIS MORTGAGE is executed by the AMERICAN NATIONAL BANK, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said American National Bank, hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said principal note contained shall be construed as creating any liability on said American National Bank personally to pay the said principal note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, either express or implied herein contained, all such

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liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as said American National Bank personally is concerned, the legal holder or holders of said principal notes and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby mortgaged for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said principal notes provided or by action to enforce the personal liability of the guarantor, if any.

IN WITNESS WHEREOF, AMERICAN NATIONAL BANK, not personally, but as Trustee as aforesaid, has caused these presents to be signed by its V.P./Trust Officer and attested by its Trust Officer this 18th day of June, 19 92.

Attest:

American National Bank as Trustee
under Trust Agreement dated May 8,
1990, Trust Number 2040-846

Cynthia A. Topps
By: Cynthia A. Topps
Its: Trust Officer

Jerome M. Gardberg
By: Jerome M. Gardberg
Its: V.P./Trust Officer

STATE OF Ill)
) SS:
COUNTY OF Cook)

On this 18th day of June, 19 92, before me the undersigned, a Notary Public, personally appeared Jerome M. Gardberg, as V.P./Trust Officer, and Cynthia A. Topps, as Trust Officer, respectively, of American National Bank, me known to be the persons described in and who executed the foregoing Mortgage Instrument and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

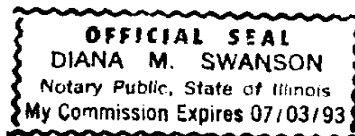
Diana M. Swanson
Notary Public

My Commission Expires:

7-3-93

County of Residence:

Cook



MAIL TO:

GAINER BANK
8585 BROADWAY, SUITE 460
MERRILLVILLE, IN 46410
ATTN. THOMAS GRANT

BOX 333

This instrument prepared by Thomas S. Grant as Assistant Vice President of Gainer Bank, National Association

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