

# UNOFFICIAL COPY

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**RECORDATION REQUESTED BY:**

**PALOS BANK AND TRUST  
COMPANY  
12600 SOUTH HARLEM AVENUE  
PALOS HEIGHTS, IL 60463**

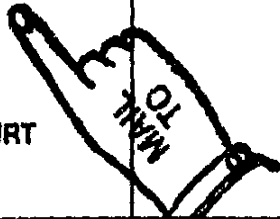
**WHEN RECORDED MAIL TO:**

**PALOS BANK AND TRUST COMPANY  
12600 SOUTH HARLEM AVENUE  
PALOS HEIGHTS, IL 60463**

. DEPT-01 RECORDING \$37.50  
. T#0000 TRAN 0964 02/28/95 09:53:00  
. #3390 & CJ #-95-135850  
. COOK COUNTY RECORDER

**SEND TAX NOTICES TO:**

**MICHAEL W. ZAGLIFA  
16505 S. NOTTINGHAM COURT  
ORLAND PARK, IL 60462**



**FOR RECORDER'S USE ONLY**

A 2269281

## MORTGAGE

THIS MORTGAGE IS DATED FEBRUARY 16, 1995, between MICHAEL W. ZAGLIFA, A BACHELOR, whose address is 16505 S. NOTTINGHAM COURT, ORLAND PARK, IL 60462 (referred to below as "Grantor"); and PALOS BANK AND TRUST COMPANY, whose address is 12600 SOUTH HARLEM AVENUE, PALOS HEIGHTS, IL 60463 (referred to below as "Lender").

**GRANT OF MORTGAGE.** For valuable consideration, Grantor mortgages, warrants, and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, located in COOK County, State of Illinois (the "Real Property"):

UNIT 31 TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS IN NOTTINGHAM WOODS CONDOMINIUM AS DELINEATED AND DEFINED IN THE DECLARATION RECORDED AS DOCUMENT NUMBER 93569728, IN THE SOUTHWEST 1/4 OF SECTION 20, TOWNSHIP 36 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

The Real Property or its address is commonly known as 16505 S. NOTTINGHAM COURT, ORLAND PARK, IL 60462. The Real Property tax identification number is 27-20-310-036-031.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

**DEFINITIONS.** The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

**Credit Agreement.** The words "Credit Agreement" mean the revolving line of credit agreement dated February 16, 1995, between Lender and Grantor with a credit limit of \$15,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the Credit Agreement. The maturity date of this Mortgage is February 1, 2000. The interest rate under the Credit Agreement is a variable interest rate based upon an index. The index currently is 9.000% per annum. The interest rate to be applied to the outstanding account balance shall be at a rate 1.000 percentage points above the index, subject however to the following minimum and maximum rates. Under no circumstances shall the interest rate be less than 6.000% per annum or more than the lesser of 18.000% per annum or the maximum rate allowed by applicable law.

**INTERCOUNTY  
EXPRESS**

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sw

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REGISTRATION REQUESTED BY:

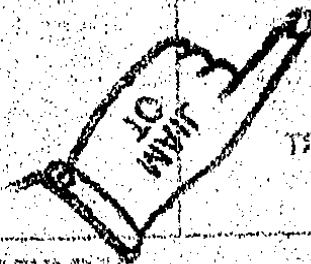
PALOS BANK AND TRUST COMPANY  
1300 SOUTH HARLEM AVENUE  
PALOS HEIGHTS, ILL. 60463

WHEN RETURNED MAIL TO:

PALOS BANK AND TRUST COMPANY  
1300 SOUTH HARLEM AVENUE  
PALOS HEIGHTS, ILL. 60463

SEND TAX NOTICES TO:

MICHAEL W. SAGLER  
1735 S. NOTTINGHAM COURT  
ORLAND PARK, ILL. 60452



MORTGAGE

1735 S. NOTTINGHAM COURT

FOR RECIPIENT'S USE

DEPT. OF REVENUE  
150000 - FORM 0044 (REV. 11-82)  
JAN 10 1993  
PAID BY DEBIT

THIS MORTGAGE IS DATED FEBRUARY 18, 1992, between MICHAEL W. SAGLER, a BACHELOR, whose address is 1735 S. NOTTINGHAM COURT, ORLAND PARK, ILL. 60452 (hereinafter referred to as "Grantor"), and PALOS BANK AND TRUST COMPANY, whose address is 1300 SOUTH HARLEM AVENUE, PALOS HEIGHTS, ILL. 60463 (hereinafter referred to as "Lender").

GRANTOR OF MORTGAGE. For valuable consideration, in full mortgages, warrants, and conveyance to Lender of Grantor's right, title, and interest in and to the lot or lots described and property together with all existing and subsequently created or third parties' interests and claims in easements, rights of way, appurtenances, and water, water rights, water courses and such other (including stock in utilities with the exception of water, gas, telephone, and electric utility) and other rights, royalties and profits relating to the real property, including without limitation all mineral, oil, gas, geothermal and similar minerals located in COOK County, State of Illinois (the "Property")

UNIT 31 TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS NOTTINGHAM WOODS CONDOMINIUM AS DELINEATED AND SET FORTH IN THE DECLARATORY AND BETWEEN IN THE SOUTHWEST 1/4 OF SECTION 16, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

The Real Property of its address is commonly known as 1735 S. NOTTINGHAM COURT, ORLAND PARK, ILL. 60452. The Real Property tax identification number is 87-20-010-100-1001.

Grantor hereby agrees to Lender all of Grantor's right, title, and interest in and to all assets of the Property, all debts from the Property, in addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Assets.

DEFINITIONS. The following words shall have the following meanings when used in this Mortgage. Terms otherwise defined in this Mortgage shall have the meanings ascribed to each term in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Grant Agreement. The word "Grant Agreement" means the revolving line of credit agreement dated February 18, 1992 between Lender and Grantor with a credit limit of \$150,000.00, together with all renewals, extensions, modifications of terms and conditions of said revolving line of credit agreement for the Grant Agreement. The maturity date of this Mortgage is February 1, 2000. The interest rate under this Grant Agreement is a variable interest rate based upon an index. The index currently is 9.00% per annum. Interest rate to be applied to the outstanding account balance shall be the 1.00% percentage points above the index, subject however to the following minimum and maximum rates. Under no circumstances shall interest rate be less than 6.00% per annum or more than the lesser of 18.00% per annum or the maximum rate allowed by applicable law.

JAN 10 1993  
1735 S. NOTTINGHAM COURT

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02-16-1995  
Loan No 212644

## MORTGAGE (Continued)

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**Existing Indebtedness.** The words "Existing Indebtedness" mean the indebtedness described below in the Existing Indebtedness section of this Mortgage.

**Grantor.** The word "Grantor" means MICHAEL W. ZAGLIFA. The Grantor is the mortgagor under this Mortgage.

**Guarantor.** The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the Indebtedness.

**Improvements.** The word "Improvements" means and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

**Indebtedness.** The word "Indebtedness" means all principal and interest payable under the Credit Agreement and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Mortgage, together with interest on such amounts as provided in this Mortgage. Specifically, without limitation, this Mortgage secures a revolving line of credit and shall secure not only the amount which Lender has presently advanced to Grantor under the Credit Agreement, but also any future amounts which Lender may advance to Grantor under the Credit Agreement within twenty (20) years from the date of this Mortgage to the same extent as if such future advance were made as of the date of the execution of this Mortgage. The revolving line of credit obligates Lender to make advances to Grantor so long as Grantor complies with all the terms of the Credit Agreement and Related Documents. Such advances may be made, repaid, and remade from time to time, subject to the limitation that the total outstanding balance owing at any one time, not including finance charges on such balance at a fixed or variable rate or sum as provided in the Credit Agreement, any temporary overages, other charges, and any amounts expended or advanced as provided in this paragraph, shall not exceed the Credit Limit as provided in the Credit Agreement. It is the intention of Grantor and Lender that this Mortgage secures the balance outstanding under the Credit Agreement from time to time from zero up to the Credit Limit as provided above and any intermediate balance. At no time shall the principal amount of indebtedness secured by the Mortgage, not including sums advanced to protect the security of the Mortgage, exceed \$15,000.00.

**Lender.** The word "Lender" means PALOS BANK AND TRUST COMPANY, its successors and assigns. The Lender is the mortgagee under this Mortgage.

**Mortgage.** The word "Mortgage" means this Mortgage between Grantor and Lender, and includes without limitation all assignments and security interest provisions relating to the Personal Property and Rents.

**Personal Property.** The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

**Property.** The word "Property" means collectively the Real Property and the Personal Property.

**Real Property.** The words "Real Property" mean the property, interests and rights described above in the "Grant of Mortgage" section.

**Related Documents.** The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**Rents.** The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

**THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED**

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02-06-1995  
Loan No. 715248

## MORTGAGE (Continued)

Page

**Existing Indebtedness.** The word "Existing Indebtedness" means all indebtedness described below in the Grantor's schedule of indebtedness attached to this Mortgage. Existing indebtedness includes all indebtedness under the Mortgage, the word "Grantor" means MICHAEL W. SALLER. The Grantor is the mortgagor under the Mortgage.

**Grantor.** The word "Grantor" means and includes without limitation each and all of the grantors named in the schedule of indebtedness attached to this Mortgage. The word "Improvements" means and includes without limitation all buildings and improvements attached to the Real Property, including improvements to the Real Property, including furniture, fixtures, equipment and other contents on the Real Property.

**Indebtedness.** The word "Indebtedness" means all present and future indebtedness of the Grantor or its successors or assignees, whether or not the indebtedness is secured, and any amount required to be advanced by the Grantor or its successors or assignees to the Grantor or its successors or assignees in order to honor or discharge the indebtedness, including the cost of interest on such indebtedness. The word "Indebtedness" includes all indebtedness provided in this Mortgage. Specifically, without limitation, this Mortgage secures a revolving line of credit under the Credit Agreement which lender has generally advanced to Grantor under the Credit Agreement, but also any future advances which lender may advance to Grantor under the Credit Agreement within twenty (20) years from the date of this Mortgage to the same extent as if such advances were made as of the date of the execution of this Mortgage. The revolving line of credit obligates lender to make advances to Grantor as long as Grantor complies with all the terms of the Credit Agreement and related documents. Such advances may be made, repaid, and reborrowed from time to time, subject to the limitation that the total outstanding balance owing at any one time, not including finance charges on such balance at a fixed or variable rate or any as provided in the Credit Agreement in connection with any temporary overages, other charges, and any amounts expended or advanced as provided in paragraph (d) shall not exceed the Credit Limit as provided in the Credit Agreement. It is the intent of the Grantor and lender that the Mortgage secures the balance outstanding under the Credit Agreement at the time the amount of indebtedness secured by the Mortgage, not including any advances, shall be the principal amount of indebtedness secured by the Mortgage, except \$15,000.00. The word "Lender" means FALCON BANK AND TRUST COMPANY, its successors and assigns. Lender is the mortgagee under this Mortgage.

**Mortgage.** The word "Mortgage" means the Mortgage between Grantor and Lender, and includes with limitation all assignments and security interest provisions relating to the Personal Property and Real Property.

**Personal Property.** The words "Personal Property" mean all equipment, fixtures, and other tangible personal property, now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property, together with all necessary parts and additions to all replacements of, and all substitutions for, and all other equipment, fixtures, and other tangible personal property, together with all necessary parts and additions to all replacements of, and all substitutions for, and all other equipment, fixtures, and other tangible personal property, and together with all proceeds (including without limitation all insurance proceeds) of such property and together with any other assets or other disposition of the Property.

**Property.** The word "Property" means collectively the Real Property and the Personal Property.

**Real Property.** The words "Real Property" mean the property, interests and rights described above in the "Grant of Mortgage" section.

**Related Documents.** The words "Related Documents" mean and include without limitation all promissory notes, security agreements, security agreements, guaranty agreements, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

**Reins.** The word "Reins" means all present and future taxes, licenses, royalties, profits, and other benefits derived from the Property.

THIS MORTGAGE INCLUDING THE ASSIGNMENT OF REINS AND THE SECURITY INTEREST IN THE REAL AND PERSONAL PROPERTY IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND THE PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE REAL

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Loan No 212644

## MORTGAGE (Continued)

Page 3

**DOCUMENTS.** THIS MORTGAGE IS INTENDED TO AND SHALL BE VALID AND HAVE PRIORITY OVER ALL SUBSEQUENT LIENS AND ENCUMBRANCES, INCLUDING STATUTORY LIENS, EXCEPTING SOLELY TAXES AND ASSESSMENTS LEVIED ON THE REAL PROPERTY, TO THE EXTENT OF THE MAXIMUM AMOUNT SECURED HEREBY. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due, and shall strictly perform all of Grantor's obligations under this Mortgage.

**POSSESSION AND MAINTENANCE OF THE PROPERTY.** Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

**Possession and Use.** Until in default, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents from the Property.

**Duty to Maintain.** Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

**Hazardous Substances.** The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Mortgage, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Lender that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under, or about the Property; (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance by any prior owners or occupants of the Property or (ii) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (c) Except as previously disclosed to and acknowledged by Lender in writing, (i) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, or about the Property and (ii) any such activity shall be conducted in compliance with applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for hazardous waste. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

**Nuisance, Waste.** Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written consent of Lender.

**Removal of Improvements.** Grantor shall not demolish or remove any Improvements from the Real Property without the prior written consent of Lender. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

**Lender's Right to Enter.** Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

**Compliance with Governmental Requirements.** Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

**Duty to Protect.** Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the

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DOCUMENTS. THIS MORTGAGE IS INTENDED TO AND SHALL BE VALID AND HAVE PRIORITY OVER ALL SUBSEQUENT LIENS AND ENCUMBRANCES, INCLUDING STATUTORY LIENS, EXCEPTING SOLELY TAXES AND ASSESSMENTS LEVIED ON THE REAL PROPERTY TO THE EXTENT OF THE MAXIMUM AMOUNT SECURED HEREBY. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due, and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Upon its delivery, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in reasonable condition and promptly correct all repairs, replacements, and maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste", "hazardous substance", "toxic", "leakage", "release", and "hazardous release" as used in this Mortgage shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CLERMA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-540 (SARA), the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 2601, et seq., or other applicable state or Federal law. Grantor shall be deemed to be in possession and control of the Property for purposes of this section if: (a) Grantor is the owner of the Property; (b) Grantor has the right to possess or control the Property; (c) Grantor has the right to lease or sublease the Property; (d) Grantor has the right to use the Property; (e) Grantor has the right to use the Property for purposes of this section; (f) Grantor has the right to use the Property for purposes of this section; (g) Grantor has the right to use the Property for purposes of this section; (h) Grantor has the right to use the Property for purposes of this section; (i) Grantor has the right to use the Property for purposes of this section; (j) Grantor has the right to use the Property for purposes of this section; (k) Grantor has the right to use the Property for purposes of this section; (l) Grantor has the right to use the Property for purposes of this section; (m) Grantor has the right to use the Property for purposes of this section; (n) Grantor has the right to use the Property for purposes of this section; (o) Grantor has the right to use the Property for purposes of this section; (p) Grantor has the right to use the Property for purposes of this section; (q) Grantor has the right to use the Property for purposes of this section; (r) Grantor has the right to use the Property for purposes of this section; (s) Grantor has the right to use the Property for purposes of this section; (t) Grantor has the right to use the Property for purposes of this section; (u) Grantor has the right to use the Property for purposes of this section; (v) Grantor has the right to use the Property for purposes of this section; (w) Grantor has the right to use the Property for purposes of this section; (x) Grantor has the right to use the Property for purposes of this section; (y) Grantor has the right to use the Property for purposes of this section; (z) Grantor has the right to use the Property for purposes of this section.

Grantor shall not cause, conduct or permit any release, spill, leak, discharge, emission, or other activity which results in or may result in the release of any hazardous waste or other substance or material which is regulated under applicable federal, state, and local laws, regulations, and ordinances, including without limitation, the Resource Conservation and Recovery Act, 42 U.S.C. Section 2601, et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq., the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-540 (SARA), the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 2601, et seq., or other applicable state or Federal law.

Grantor shall not cause, conduct or permit any release, spill, leak, discharge, emission, or other activity which results in or may result in the release of any hazardous waste or other substance or material which is regulated under applicable federal, state, and local laws, regulations, and ordinances, including without limitation, the Resource Conservation and Recovery Act, 42 U.S.C. Section 2601, et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq., the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-540 (SARA), the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 2601, et seq., or other applicable state or Federal law.

Grantor shall not cause, conduct or permit any release, spill, leak, discharge, emission, or other activity which results in or may result in the release of any hazardous waste or other substance or material which is regulated under applicable federal, state, and local laws, regulations, and ordinances, including without limitation, the Resource Conservation and Recovery Act, 42 U.S.C. Section 2601, et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq., the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-540 (SARA), the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 2601, et seq., or other applicable state or Federal law.

Grantor shall not cause, conduct or permit any release, spill, leak, discharge, emission, or other activity which results in or may result in the release of any hazardous waste or other substance or material which is regulated under applicable federal, state, and local laws, regulations, and ordinances, including without limitation, the Resource Conservation and Recovery Act, 42 U.S.C. Section 2601, et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq., the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-540 (SARA), the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 2601, et seq., or other applicable state or Federal law.

Grantor shall not cause, conduct or permit any release, spill, leak, discharge, emission, or other activity which results in or may result in the release of any hazardous waste or other substance or material which is regulated under applicable federal, state, and local laws, regulations, and ordinances, including without limitation, the Resource Conservation and Recovery Act, 42 U.S.C. Section 2601, et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq., the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-540 (SARA), the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 2601, et seq., or other applicable state or Federal law.

# UNOFFICIAL COPY

02-16-1995  
Loan No 212644

MORTGAGE  
(Continued)

Page 4

Property are reasonably necessary to protect and preserve the Property.

**DUE ON SALE - CONSENT BY LENDER.** Lender may, at its option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Illinois law.

**TAXES AND LIENS.** The following provisions relating to the taxes and liens on the Property are a part of this Mortgage.

**Payment.** Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Mortgage, except for the lien of taxes and assessments not due, except for the Existing Indebtedness referred to below and except as otherwise provided in the following paragraph.

**Right To Contest.** Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

**Evidence of Payment.** Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

**Notice of Construction.** Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

**PROPERTY DAMAGE INSURANCE.** The following provisions relating to insuring the Property are a part of this Mortgage.

**Maintenance of Insurance.** Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or discontinued without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property at any time become located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, to the extent such insurance is required by Lender and is or becomes available, for the term of the loan and for the full unpaid principal balance of the loan, or the maximum limit of coverage that is available, whichever is less.

**Application of Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at its election, apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default hereunder. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to prepay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor.

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**Unexpired Insurance at Sale.** Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any trustee's sale or other sale held under the provisions of this Mortgage, or at any foreclosure sale of such Property.

**Compliance with Existing Indebtedness.** During the period in which any Existing Indebtedness described below is in effect, compliance with the insurance provisions contained in the instrument evidencing such Existing Indebtedness shall constitute compliance with the insurance provisions under this Mortgage, to the extent compliance with the terms of this Mortgage would constitute a duplication of insurance requirement. If any proceeds from the insurance become payable on loss, the provisions in this Mortgage for division of proceeds shall apply only to that portion of the proceeds not payable to the holder of the Existing Indebtedness.

**EXPENDITURES BY LENDER.** If Grantor fails to comply with any provision of this Mortgage, including any obligation to maintain Existing Indebtedness in good standing as required below, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Lender on Grantor's behalf may, but shall not be required to, take any action that Lender deems appropriate. Any amount that Lender expends in so doing will bear interest at the rate charged under the Credit Agreement from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the credit line and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Credit Agreement, or (c) be treated as a balloon payment which will be due and payable at the Credit Agreement's maturity. This Mortgage also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled on account of the default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had.

**WARRANTY; DEFENSE OF TITLE.** The following provisions relating to ownership of the Property are a part of this Mortgage.

**Title.** Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in the Existing Indebtedness section below or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

**Defense of Title.** Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

**Compliance With Laws.** Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

**EXISTING INDEBTEDNESS.** The following provisions concerning existing indebtedness (the "Existing Indebtedness") are a part of this Mortgage.

**Existing Lien.** The lien of this Mortgage securing the Indebtedness may be secondary and inferior to an existing lien. The obligation has the following payment terms: monthly installments of principal and interest. Grantor expressly covenants and agrees to pay, or see to the payment of, the Existing Indebtedness and to prevent any default on such Indebtedness, any default under the instruments evidencing such Indebtedness, or any default under any security documents for such Indebtedness.

**No Modification.** Grantor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Mortgage by which that agreement is modified, amended, extended, or renewed without the prior written consent of Lender. Grantor shall neither request nor accept any future advances under any such security agreement without the prior written consent of Lender.

**CONDEMNATION.** The following provisions relating to condemnation of the Property are a part of this Mortgage.

**Application of Net Proceeds.** If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

**Proceedings.** If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments as may be requested by it from time to time to permit such participation.

**IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES.** The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

**Current Taxes, Fees and Charges.** Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together

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Uninsured amounts of sale. Any uninsured amounts shall inure to the benefit of and pass to the purchaser of the Property covered by this Mortgage in any resale or other sale held under the provisions of this Mortgage or in any foreclosure sale of such Property.

Compliance with Existing Indebtedness. During the period in which any existing indebtedness described below is in effect compliance with the insurance provisions in the instrument evidencing such existing indebtedness shall constitute compliance with the insurance provisions under this Mortgage to the extent compliance with the terms of the Mortgage would constitute a duplication of insurance coverage. If any proceeds from the insurance become payable on the provisions in this Mortgage for division of proceeds shall apply only to that portion of the proceeds not payable to the holder of the existing indebtedness.

EXEMPTIONS BY LENDER. If Lender fails to comply with any provision of this Mortgage, including any obligation to maintain certain insurances in good standing as required herein, or if any action or proceeding is commenced that would materially and adversely affect the ability of Lender to perform its obligations hereunder, Lender shall not be bound by any provision of this Mortgage which would require Lender to pay or provide for the payment of insurance or to the extent of payment by Lender. If such expenses of Lender's obligation will be payable or deemed to be added to the balance of the indebtedness and the applicable amount paid by Lender with any installment payments to become due during the term of any applicable insurance policy or in the remaining term of the Credit Agreement, or (b) as treated as a separate payment which will be due and payable in this Agreement's instrument. This indebtedness also will secure payment of those amounts. The rights provided in this paragraph shall be in addition to any other rights or remedies to which Lender may be entitled or secured to by Lender. Any action by Lender shall not be construed as waiving the rights of Lender from any remedy that it otherwise would have had.

**WARRANTY, DEFENSE OF TITLE.** The following provisions relating to ownership of the Property are a part of this Mortgage.

Title. Grantor warrants that the Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property Description or in the Existing Indebtedness and subject to any other interests in the Property which the Grantor has the full right, power and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exceptions in the Real Property Description, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons in the event any action or proceeding is commenced that would materially and adversely affect the ability of Lender to perform its obligations hereunder. Grantor shall defend the title to the Property under this Mortgage, and Lender shall be the non-party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will defend or cause to be defended, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

**EXISTING INDEBTEDNESS.** The following provisions concerning existing indebtedness the "Existing Indebtedness" are a part of this Mortgage.

Existing Lien. The lien of this Mortgage securing the Indebtedness may be accessory and in addition to an existing lien. The lien of this Mortgage shall have priority over any existing lien of record and interest. Grantor expressly covenants and agrees to pay, or cause to be paid, the principal of the Existing Indebtedness and to preserve any debt of such indebtedness and defend under the instrument evidencing such indebtedness or any debt of such indebtedness for such indebtedness.

Modification. Lender shall not enter into any agreement with the holder of any mortgage, bond or other security instrument which the holder of this Mortgage by which the agreement is modified, amended, extended or renewed without the prior written consent of Lender. Grantor shall request and accept any such agreement which may be necessary to amend or renew the prior written consent of Lender.

**COMPLETION.** The following provisions relating to completion of the Property are a part of this Mortgage.

Application of the Proceeds. If all or any part of the Proceeds is disbursed by eminent domain proceedings or by any proceeding or purchase in fee of such indebtedness, Lender may at its election require that all or any portion of the net proceeds of the sale be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the sale shall first be used for the payment of all reasonable costs, expenses, and attorney's fees incurred by Lender in connection with the foreclosure.

Proceedings. If any proceeding is commenced in connection with this Mortgage, Lender shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the named party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will defend or cause to be defended, to Lender such instruments as may be requested by it from time to time to permit such participation.

**IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES.** The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage.

Local Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents as are necessary to ensure that the Property is properly assessed for local taxes, and Grantor shall pay the taxes, fees and charges on the Property. Grantor shall reimburse Lender for all taxes, fees and charges, including

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with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

**Taxes.** The following shall constitute taxes to which this section applies: (a) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (b) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (c) a tax on this type of Mortgage chargeable against the Lender or the holder of the Credit Agreement; and (d) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

**Subsequent Taxes.** If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default (as defined below), and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (a) pays the tax before it becomes delinquent, or (b) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

**SECURITY AGREEMENT; FINANCING STATEMENTS.** The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage.

**Security Agreement.** This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

**Security Interest.** Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender.

**Addresses.** The mailing addresses of Grantor (debtor) and Lender (secured party), from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code), are as stated on the first page of this Mortgage.

**FURTHER ASSURANCES; ATTORNEY-IN-FACT.** The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage.

**Further Assurances.** At any time, and from time to time upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or re-recorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (a) the obligations of Grantor under the Credit Agreement, this Mortgage, and the Related Documents, and (b) the liens and security interests created by this Mortgage on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or agreed to the contrary by Lender in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

**Attorney-in-Fact.** If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

**FULL PERFORMANCE.** If Grantor pays all the Indebtedness when due, terminates the credit line account, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time. If, however, payment is made by Grantor, whether voluntarily or otherwise, or by guarantor or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment (a) to Grantor's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, (b) by reason of any judgment, decree or order of any court or administrative body having jurisdiction over Lender or any of Lender's property, or (c) by reason of any settlement or compromise of any claim made by Lender with any claimant (including without limitation Grantor), the Indebtedness shall be considered unpaid for the purpose of enforcement of this Mortgage and this Mortgage shall continue to be effective or shall be reinstated, as the case may be, notwithstanding any cancellation of this Mortgage or of any note or other instrument or agreement evidencing the Indebtedness and the Property will continue to secure the amount repaid or recovered to the same extent as if that amount never had been originally received by Lender, and Grantor shall be bound by any judgment, decree, order, settlement or compromise relating to the Indebtedness or to this Mortgage.

**DEFAULT.** Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Mortgage: (a) Grantor commits fraud or makes a material misrepresentation at any time in connection with the credit line account. This can include, for example, a false statement about Grantor's income, assets, liabilities, or any other aspects of Grantor's financial condition. (b) Grantor does not meet the repayment terms of the credit line account. (c) Grantor's action or inaction adversely affects the collateral for the credit line account or

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with all expenses incurred in connection with the mortgage, including without limitation taxes, fees, commissions, charges, and other costs for recording or registering this mortgage.

Yates. The following shall constitute those to which this section applies: (a) a specific tax upon the mortgage or upon all or any part of the indebtedness secured by this mortgage; (b) a specific tax on the lender or on the holder of the mortgage; (c) a tax on the type of mortgage chargeable against the lender or the holder of the mortgage; and (d) a specific tax on all or any portion of the indebtedness or on payments of principal or interest made by the borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date hereof, this shall have the same effect as the event of default (as defined below) and the lender shall have the benefit of the provisions of this section as if such tax had been enacted prior to the date hereof. If the tax hereof becomes delinquent or (b) contains the tax as provided above in the lender's section and deposits with the lender cash or a sufficient corporate surety bond or other security to cover the tax hereof.

**SECURITY AGREEMENT; FINANCIAL STATEMENTS.** The following provisions relating to this mortgage security agreement are a part of this mortgage.

Security Agreement. This mortgage shall constitute a security agreement to the extent of the rights of the lender as set forth in this mortgage. This mortgage shall constitute a security agreement to the extent of the rights of the lender as set forth in this mortgage. The lender shall have all the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. From time to time, the lender shall have a security interest in the property described in this mortgage, including all fixtures, accessions, and other property that may become attached to or part of the property described in this mortgage. The lender shall have a security interest in the property described in this mortgage, including all fixtures, accessions, and other property that may become attached to or part of the property described in this mortgage. The lender shall have a security interest in the property described in this mortgage, including all fixtures, accessions, and other property that may become attached to or part of the property described in this mortgage.

Addresses. The mailing address of the lender shall be the address of the lender as set forth in the mortgage. The mailing address of the lender shall be the address of the lender as set forth in the mortgage. The mailing address of the lender shall be the address of the lender as set forth in the mortgage.

**FURTHER ASSURANCE; ATTORNEY-IN-FACT.** The following provisions relating to further assurance attorney-in-fact are a part of this mortgage.

Further Assurance. At any time and from time to time upon request of the lender, the borrower shall execute and deliver to the lender all such instruments, documents, and other papers as the lender may deem necessary or appropriate to carry out the purposes of this mortgage, including without limitation assignments, amendments, modifications, and other instruments and documents that may be required to carry out the purposes of this mortgage. The borrower shall execute and deliver to the lender all such instruments, documents, and other papers as the lender may deem necessary or appropriate to carry out the purposes of this mortgage.

Attorney-in-Fact. If the borrower fails to do any of the things referred to in the preceding paragraph, the lender shall be deemed to be the attorney-in-fact of the borrower for all purposes connected with the mortgage, and the lender shall have all the powers, authority, and discretion that the borrower has or may hereafter have in connection with the mortgage.

FULL PERFORMANCE. If the borrower pays all the indebtedness when due, the lender shall release all the obligations secured by this mortgage, including without limitation the mortgage and all other instruments and documents that may be required to carry out the purposes of this mortgage. The lender shall release all the obligations secured by this mortgage, including without limitation the mortgage and all other instruments and documents that may be required to carry out the purposes of this mortgage.

DEFAULT. Each of the following is the definition of "default" under this mortgage. (a) If the borrower fails to make a scheduled payment of any part of the principal or interest due under the mortgage on the date specified in the mortgage, the borrower shall be in default. (b) If the borrower fails to pay any other amount due under the mortgage, the borrower shall be in default. (c) If the borrower fails to maintain the property subject to the mortgage in accordance with the terms of the mortgage, the borrower shall be in default.

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Lender's rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a lien on the dwelling without Lender's permission, foreclosure by the holder of another lien, or the use of funds or the dwelling for prohibited purposes.

**RIGHTS AND REMEDIES ON DEFAULT.** Upon the occurrence of any Event of Default and at any time thereafter, Lender, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

**Accelerate indebtedness.** Lender shall have the right at its option without notice to Grantor to declare the entire indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

**UCC Remedies.** With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

**Collect Rents.** Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

**Mortgagee in Possession.** Lender shall have the right to be placed as mortgagee in possession or to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The mortgagee in possession or receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

**Judicial Foreclosure.** Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

**Deficiency Judgment.** If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

**Other Remedies.** Lender shall have all other rights and remedies provided in this Mortgage or the Credit Agreement or available at law or in equity.

**Sale of the Property.** To the extent permitted by applicable law, Grantor hereby waives any and all right to have the property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

**Notice of Sale.** Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition.

**Waiver; Election of Remedies.** A waiver by any party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this Mortgage after failure of Grantor to perform shall not affect Lender's right to declare a default and exercise its remedies under this Mortgage.

**Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Lender that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the rate provided for in the Credit Agreement. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

**NOTICES TO GRANTOR AND OTHER PARTIES.** Any notice under this Mortgage, including without limitation any notice of default and any notice of sale to Grantor, shall be in writing, may be sent by telefacsimile, and shall be effective when actually delivered, or when deposited with a nationally recognized overnight courier, or, if mailed, shall be deemed effective when deposited in the United States mail first class, registered mail, postage prepaid, directed to the addresses shown near the beginning of this Mortgage. Any party may change its address

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Lender's right to the collateral. The use of the collateral for any purpose other than the payment of the loan shall be at the discretion of the Lender. The Lender shall have the right to sell or otherwise dispose of the collateral in whole or in part at any time and from time to time without notice to the Borrower. The Lender shall not be bound to advance any further funds to the Borrower if the collateral is not sufficient to secure the loan.

**RIGHTS AND REMEDIES ON DEFAULT.** Upon the occurrence of any event of default and at any time thereafter, the Lender may exercise any one or more of the following rights and remedies in addition to any rights or remedies provided by law:

Accelerate the maturity of the loan. The Lender shall have the right at its option without notice to declare the entire indebtedness immediately due and payable, including any payment made by the Borrower which is required to pay.

**UCC Remedies.** With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

**Collateral Rights.** Lender shall have the right, without notice to the Borrower, to take possession of the Property and to sell or otherwise dispose of the Property in whole or in part at any time and from time to time without notice to the Borrower. The Lender shall not be bound to advance any further funds to the Borrower if the collateral is not sufficient to secure the loan. The Lender shall have the right to sell or otherwise dispose of the collateral in whole or in part at any time and from time to time without notice to the Borrower.

**Foreclosure by Possession.** Lender shall have the right to take possession of the Property and to sell or otherwise dispose of the Property in whole or in part at any time and from time to time without notice to the Borrower. The Lender shall not be bound to advance any further funds to the Borrower if the collateral is not sufficient to secure the loan. The Lender shall have the right to sell or otherwise dispose of the collateral in whole or in part at any time and from time to time without notice to the Borrower.

**Judicial Foreclosure.** Lender may obtain a judgment, decree or order of foreclosure in respect of the Property and to sell or otherwise dispose of the Property in whole or in part at any time and from time to time without notice to the Borrower.

**Deficiency Judgment.** If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

**Other Remedies.** Lender shall have all other rights and remedies provided in this statement of the Lender's agreement or available in law or equity.

**Sale of the Property.** To the extent permitted by applicable law, Lender may sell or otherwise dispose of the Property in whole or in part at any time and from time to time without notice to the Borrower. The Lender shall not be bound to advance any further funds to the Borrower if the collateral is not sufficient to secure the loan.

**Notice of Sale.** Lender shall give the Borrower reasonable notice of the time and place of any public sale of the Property and of the time and place of any private sale of the Property. The Lender shall not be bound to advance any further funds to the Borrower if the collateral is not sufficient to secure the loan.

**Minor, Infant or Married.** A waiver by any party of a portion of a provision of this Mortgage shall constitute a release of the party's rights and remedies under this Mortgage. The Lender shall not be bound to advance any further funds to the Borrower if the collateral is not sufficient to secure the loan.

**Attorney's Fees and Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such costs and expenses as it may incur in the prosecution of such suit or action, including reasonable attorney's fees and expenses. The Lender shall not be bound to advance any further funds to the Borrower if the collateral is not sufficient to secure the loan.

**NOTICES TO GRANTOR AND OTHER PARTIES.** Any notice under this Mortgage, including without limitation notice of default and any notice of sale to Grantor, shall be in writing and shall be sent by registered mail, return receipt requested, to the address shown on the last page of this Mortgage. Any party may change its address by providing written notice to the Lender.

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## MORTGAGE (Continued)

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for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address.

**ASSOCIATION OF UNIT OWNERS.** The following provisions apply if the Real Property has been submitted to unit ownership law or similar law for the establishment of condominiums or cooperative ownership of the Real Property:

**Power of Attorney.** Grantor grants an irrevocable power of attorney to Lender to vote in its discretion on any matter that may come before the association of unit owners. Lender shall have the right to exercise this power of attorney only after default by Grantor; however, Lender may decline to exercise this power as it sees fit.

**Insurance.** The insurance as required above may be carried by the association of unit owners on Grantor's behalf, and the proceeds of such insurance may be paid to the association of unit owners for the purpose of repairing or reconstructing the Property. If not so used by the association, such proceeds shall be paid to Lender.

**Compliance with Regulations of Association.** Grantor shall perform all of the obligations imposed on Grantor by the declaration submitting the Real Property to unit ownership, by the bylaws of the association of unit owners, or by any rules or regulations thereunder. If Grantor's interest in the Real Property is a leasehold interest and such property has been submitted to unit ownership, Grantor shall perform all of the obligations imposed on Grantor by the lease of the Real Property from its owner.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Mortgage:

**Amendments.** This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Applicable Law.** This Mortgage has been delivered to Lender and accepted by Lender in the State of Illinois. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

**Caption Headings.** Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

**Merger.** There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

**Severability.** If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Mortgage in all other respects shall remain valid and enforceable.

**Successors and Assigns.** Subject to the limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the indebtedness.

**Time is of the Essence.** Time is of the essence in the performance of this Mortgage.

**Waiver of Homestead Exemption.** Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Illinois as to all indebtedness secured by this Mortgage.

**Waivers and Consents.** Lender shall not be deemed to have waived any rights under this Mortgage (or under the Related Documents) unless such waiver is in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or any of Grantor's obligations as to any future transactions. Whenever consent by Lender is required in this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

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for notice under this Mortgage by giving notice to the other parties, specifying that the purpose of the notice is to change the party's address. All copies of notices of termination from the holder of any lien or mortgage shall be sent to the party's address as shown on the petition of the Mortgagee. For notice purposes, the party's address shall be the address of the party's current address.

**ASSOCIATION OF UNIT OWNERS.** The following provisions apply if the Real Property has been subdivided into ownership lots in accordance with the laws of the State of California:

Power of Attorney. Grantor grants an irrevocable power of attorney to Leader to use in the discretion of Leader for any and all purposes the association to sell, lease, convey, mortgage, or otherwise dispose of any and all real property owned by the association, including the Real Property, and to execute all documents necessary to carry out the purposes of this power of attorney. The irrevocable power of attorney shall be subject to the provisions of this Mortgage, and the proceeds of such insurance may be paid to the association of unit owners for the purposes of reconstructing the property. It may so used by the association, such proceeds shall be paid to Leader.

Compliance with Regulations of Association. Grantor shall perform all of the obligations imposed on Grantor by the declaration submitted for the Real Property to unit ownership by the association of unit owners, and by any rules or regulations thereafter. It is Grantor's intent in the Real Property is a leasehold interest and such property has been submitted to unit ownership. Grantor shall perform all of the obligations imposed on Grantor by the laws of the Real Property from its owner.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any related documents, shall be binding on the parties hereto and their heirs, assigns, and assigns. The alteration of or amendment to this Mortgage, or any part thereof, shall be binding on the parties hereto and their heirs, assigns, and assigns only if the alteration or amendment is in writing and signed by the party or parties sought to be bound by the alteration or amendment.

Applicable Law. This Mortgage has been delivered to Leader and accepted by Leader in the State of California. This Mortgage shall be governed by and construed in accordance with the laws of the State of California.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not intended to interpret or define the provisions of this Mortgage.

Merger. There shall be no merger or estate created by this Mortgage with any other interest existing in the Real Property or any part thereof, or for the benefit of Leader in any capacity, without the written consent of Leader.

Severability. If a part of this Mortgage is held to be unenforceable or void, the remainder of this Mortgage shall remain in full force and effect. If any part of this Mortgage is held to be unenforceable or void, the remainder of this Mortgage shall remain in full force and effect. If any part of this Mortgage is held to be unenforceable or void, the remainder of this Mortgage shall remain in full force and effect.

Successors and Assigns. Subject to the limitations stated in this Mortgage on transfer of Grantor's interest, the Mortgage shall be binding upon and enforceable against Grantor and its successors and assigns. The Mortgage shall be binding upon and enforceable against Grantor and its successors and assigns. The Mortgage shall be binding upon and enforceable against Grantor and its successors and assigns.

Time of Performance. Time is of the essence in the performance of this Mortgage. Grantor hereby certifies that the performance of this Mortgage is not subject to any conditions, contingencies, or other circumstances that would delay or prevent the performance of this Mortgage.

Waiver and Release. Grantor hereby certifies that the performance of this Mortgage is not subject to any conditions, contingencies, or other circumstances that would delay or prevent the performance of this Mortgage. Grantor hereby certifies that the performance of this Mortgage is not subject to any conditions, contingencies, or other circumstances that would delay or prevent the performance of this Mortgage.



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MORTGAGE  
(Continued)

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GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

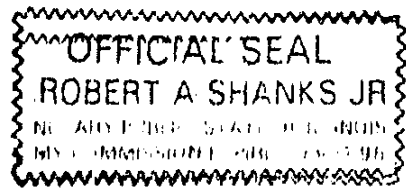
GRANTOR:

X *[Signature]*  
MICHAEL W. ZAGLIFA

This Mortgage prepared by: PALOS BANK AND TRUST COMPANY  
12800 SOUTH HARLEM AVENUE  
PALOS HEIGHTS, IL 60463

## INDIVIDUAL ACKNOWLEDGMENT

STATE OF Illinois  
COUNTY OF Cook



On this day before me, the undersigned Notary Public, personally appeared MICHAEL W. ZAGLIFA, to me known to be the individual described in and who executed the Mortgage, and acknowledged that he or she signed the Mortgage as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 16<sup>th</sup> day of February 19 95.

By *[Signature]* Residing at 1165 S. Maplewood, Chicago

Notary Public in and for the State of Illinois

My commission expires 3-1-96

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10-18-1988  
1000 W. 21ST ST.

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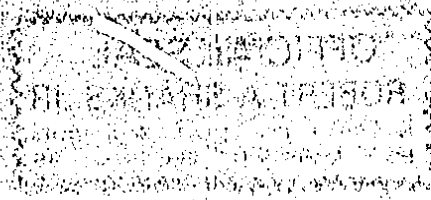
GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE AND GRANTS  
HEREBY TO ITS TERMS.

GRANTOR:

MICHAEL W. TADLER

The Mortgage prepared by: FALDS BANK AND TRUST COMPANY  
1300 SOUTH LAMAR AVENUE  
FALDS, MISSOURI 64409

## INDIVIDUAL ACKNOWLEDGMENT



STATE OF MISSOURI  
COUNTY OF [ ]

On the day before me, the undersigned Notary Public, personally appeared MICHAEL W. TADLER, to me known to be the individual described in and who executed the mortgage, and acknowledged that he or she signed the mortgage as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 1988.

Residing at \_\_\_\_\_  
Notary Public in and for the State of Missouri  
My commission expires \_\_\_\_\_

Property of Cook County Clerk's Office