

Prepared by:
BANK & TRUST OF EVANSTON
ARCH STREET
EVANSTON, IL 60201
-7400 (Lender)

DEPT-01 RECORDING
T00009 TRAN 1957 04/25/96
#1384 + RH *-96-
COOK COUNTY RECORDER

COMMERCIAL MORTGAGE

GRANTOR
FIRST NATIONAL BANK AND TRUST CO OF EV,
Trustee, under Trust Agreement
R-2030 dated MARCH 17, 1977.

BORROWER
JAMES B STEPHENS
HELEN B STEPHENS

ADDRESS
500 DAVIS STREET
EVANSTON, IL 60201
TELEPHONE NO.
8478665500

ADDRESS
235 RALEIGH ROAD
KENILWORTH, IL 60043
TELEPHONE NO.
8472562560

IDENTIFICATION NO.

IDENTIFI

1. **GRANT.** For good and valuable consideration, Grantor hereby mortgages and warrants to Lender the real property described in Schedule A which is attached to this Mortgage and incorporated herein with all improvements and fixtures; privileges, hereditaments, and appurtenances; leases, licenses, easements, and interests in the real property (cumulatively "Property"); crops pertaining to the real property (cumulatively "Property");
2. **OBLIGATIONS.** This Mortgage shall secure the payment and performance of all of Borrower and Grantor's present and future indebtedness, liabilities, obligations and covenants (cumulatively "Obligations") to Lender pursuant to this Mortgage and the following promissory notes and other agreements:

INTEREST RATE	PRINCIPAL AMOUNT/ CREDIT LIMIT	FUNDING/ AGREEMENT DATE	MATURITY DATE	CUSTOMER NUMBER
FIXED	\$500,000.00 BOX 169	04/22/96 REI TITLE	04/22/07	6223125 # 80700 10F2

all other present or future obligations of Borrower or Grantor to Lender (whether incurred for any purpose other than the foregoing);
b) all renewals, extensions, amendments, modifications, replacements or substitutions to any of the foregoing.
3. **PURPOSE.** This Mortgage and the Obligations described herein are executed and incurred for the purposes described in paragraph 2.
4. **FUTURE ADVANCES.** This Mortgage secures the repayment of all advances that are made to Borrower or Grantor under the promissory notes and other agreements evidencing the revolving credit line described in paragraph 2. The Mortgage secures not only existing indebtedness, but also secures future advances made on the date of the execution of this Mortgage, and although there may be outstanding promissory notes and agreements described above may increase or decrease from time to time, the total amount of indebtedness secured by this Mortgage shall not exceed \$500,000.00. This Mortgage shall extend to Borrower or Grantor under the promissory notes and agreements described in paragraph 2, but the total of all such indebtedness so secured shall not exceed \$500,000.00.

5. EXPENSES. To the extent permitted by law, this Mortgage secures the repayment of all amounts expended by Lender to perform Grantor's covenants under this Mortgage or to maintain, preserve, or dispose of the Property, including but not limited to, amounts expended for the payment of taxes, special assessments, or insurance on the Property, plus interest thereon.

6. CONSTRUCTION PURPOSES. If checked, this Mortgage secures an indebtedness for construction purposes. Grantor represents, warrants and covenants to Lender that:

(a) Grantor shall maintain the Property free of all liens, security interests, encumbrances and claims except for this Mortgage and those described in Schedule B which is attached to this Mortgage and incorporated herein by reference.

(b) Neither Grantor nor, to the best of Grantor's knowledge, any other party has used, generated, released, discharged, stored, or disposed of any "Hazardous Materials", as defined herein, in connection with the Property or transported any Hazardous Materials to or from the Property. Grantor shall not commit or permit such actions to be taken in the future. The term "Hazardous Materials" shall mean any substance, material, or waste which is or becomes regulated by any governmental authority including, but not limited to, (i) petroleum; (ii) friable or nonfriable asbestos; (iii) polychlorinated biphenyls; (iv) those substances, materials or wastes designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act or listed pursuant to Section 307 of the Clean Water Act or any amendments or replacements to those statutes; (v) those substances, materials or wastes defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act or any amendments or replacements to that statute; and (vi) those substances, materials or wastes defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, or any amendments or replacements to that statute or any other similar statute, rule, regulation or ordinance now or hereafter in effect.

(c) Grantor has the right and is duly authorized to execute and perform its Obligations under this Mortgage and these actions do not and shall not conflict with the provisions of any statute, regulation, ordinance, rule of law, contract or other agreement which may be binding on Grantor at any time;

(d) No action or proceeding is or shall be pending or threatened which might materially affect the Property;

(e) Grantor has not violated and shall not violate any statute, regulation, ordinance, rule of law, contract or other agreement which might materially affect the Property (including, but not limited to, those governing Hazardous Materials) or Lender's rights or interest in the Property pursuant to this Mortgage.

8. TRANSFERS OF THE PROPERTY OR BENEFICIAL INTERESTS IN BORROWERS. On sale or transfer to any person without the prior written approval of Lender of all or any part of the real property described in Schedule A, or any interest therein, or of all or any beneficial interest in Borrower or Grantor (if Borrower or Grantor is not a natural person or a corporation, partnership, trust, or other legal entity), Lender may, at Lender's option declare the sums secured by this Mortgage to be immediately due and payable, and Lender may invoke any remedies permitted by the promissory note or other agreement or by this Mortgage, unless otherwise prohibited by federal law.

9. INQUIRES AND NOTIFICATION TO THIRD PARTIES. Grantor hereby authorizes Lender to contact any third party and make any inquiry pertaining to Grantor's financial condition or the Property. In addition, Lender is authorized to provide oral or written notice of its interest in the Property to any third party.

10. INTERFERENCE WITH LEASES AND OTHER AGREEMENTS. Grantor shall not take or fail to take any action which may cause or permit the termination or the withholding of any payment in connection with any lease or other agreement ("Agreement") pertaining to the Property. In addition, Grantor, without Lender's prior written consent, shall not: (a) collect any monies payable under any Agreement more than one month in advance; (b) modify any Agreement; (c) assign or allow a lien, security interest or other encumbrance to be placed upon Grantor's rights, title and interest in and to any Agreement or the amounts payable thereunder; or (d) terminate or cancel any Agreement except for the nonpayment of any sum or other material breach by the other party thereto. If Grantor receives at any time any written communication asserting a default by Grantor under an Agreement or purporting to terminate or cancel any Agreement, Grantor shall promptly forward a copy of such communication (and any subsequent communications relating thereto) to Lender.

11. COLLECTION OF INDEBTEDNESS FROM THIRD PARTY. Lender shall be entitled to notify or require Grantor to notify any third party (including, but not limited to, lessors, licensees, governmental authorities and insurance companies) to pay Lender any indebtedness or obligation owing to Grantor with respect to the Property (cumulatively "indebtedness") whether or not a default exists under this Mortgage. Grantor shall diligently collect the indebtedness owing to Grantor from these third parties until the giving of such notification. In the event that Grantor possesses or receives possession of any instrument or other remittances with respect to the indebtedness following the giving of such notification or if the instruments or other remittances constitute the prepayment of any indebtedness or the payment of any insurance or condemnation proceeds, Grantor shall hold such instruments and other remittances in trust for Lender apart from its other property, endorse the instruments and other remittances to Lender, and immediately provide Lender with possession of the instruments and other remittances. Lender shall be entitled, but not required to collect (by legal proceedings or otherwise), extend the time for payment, compromise, exchange or release any obligor or collateral upon, or otherwise settle any of the indebtedness whether or not an event of default exists under this Agreement. Lender shall not be liable to Grantor for any action, error, mistake, omission or delay pertaining to the actions described in this paragraph or any damages resulting therefrom.

12. USE AND MAINTENANCE OF PROPERTY. Grantor shall take all actions and make any repairs needed to maintain the Property in good condition. Grantor shall not commit or permit any waste to be committed with respect to the Property. Grantor shall use the Property solely in compliance with applicable law and insurance policies. Grantor shall not make any alterations, additions or improvements to the Property without Lender's prior written consent. Without limiting the foregoing, all alterations, additions and improvements made to the Property shall be subject to the interest belonging to Lender, shall not be removed without Lender's prior written consent, and shall be made at Grantor's sole expense.

13. LOSS OR DAMAGE. Grantor shall bear the entire risk of any loss, theft, destruction or damage (cumulatively "Loss or Damage") to the Property or any portion thereof from any cause whatsoever. In the event of any Loss or Damage, Grantor shall, at the option of Lender, repair the affected Property to its previous condition or pay or cause to be paid to Lender the decrease in the fair market value of the affected Property.

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14. **INSURANCE.** Grantor shall keep the Property insured for its full value against all hazards including loss or damage caused by fire, collision, theft, flood (if applicable) or other casualty. Grantor may obtain insurance on the Property from such companies as are acceptable to Lender in its sole discretion. The insurance policies shall require the insurance company to provide Lender with at least thirty (30) days' written notice before such policies are altered or cancelled in any manner. The insurance policies shall name Lender as a mortgagee and provide that no act or omission of Grantor or any other person shall affect the right of Lender to be paid the insurance proceeds pertaining to the loss or damage of the Property. At Lender's option, Lender may apply the insurance proceeds to the repair of the Property or require the insurance proceeds to be paid to Lender. In the event Grantor fails to acquire or maintain insurance, Lender (after providing notice as may be required by law) may in its discretion procure appropriate insurance coverage upon the Property and the insurance cost shall be an advance payable and bearing interest as described in Paragraph 28 and secured hereby. Grantor shall furnish Lender with evidence of insurance policies, cancelling any policy or act as attorney-in-fact for Grantor in making and settling claims under insurance policies. In the event of loss, endorsing Grantor's name on any draft or negotiable instrument drawn by any insurer. All such insurance policies shall be constantly assigned, pledged and delivered to Lender for further securing the Obligations. In the event of loss, Grantor shall immediately give Lender written notice and Lender is authorized to make proof of loss. Each insurance company is directed to make payments directly to Lender instead of to Lender and Grantor. Lender shall have the right, at its sole option, to apply such monies toward the Obligations or toward the cost of rebuilding and restoring the Property. Any amount applied against the Obligations shall be applied in the inverse order of the due dates thereof. In any event Grantor shall be obligated to rebuild and restore the Property.

15. **ZONING AND PRIVATE COVENANTS.** Grantor shall not initiate or consent to any change in the zoning provisions or private covenants affecting the use of the Property without Lender's prior written consent. If Grantor's use of the Property becomes a nonconforming use under any zoning provision, Grantor shall not cause or permit such use to be discontinued or abandoned without the prior written consent of Lender. Grantor will immediately provide Lender with written notice of any proposed changes to the zoning provisions or private covenants affecting the Property.

16. **CONDEMNATION.** Grantor shall immediately provide Lender with written notice of any actual or threatened condemnation or eminent domain proceeding pertaining to the Property. All monies payable to Grantor from such condemnation or taking are hereby assigned to Lender and shall be applied first to the payment of Lender's attorneys' fees, legal expenses (to the extent permitted by applicable law) and other costs including appraisal fees, in connection with the condemnation or eminent domain proceedings and then, at the option of Lender, to the payment of the Obligations or the restoration or repair of the Property. In any event, Grantor shall be obligated to restore or repair the Property.

17. **LENDER'S RIGHT TO COMMENCE OR DEFEND LEGAL ACTIONS.** Grantor shall immediately provide Lender with written notice of any actual or threatened action, suit, or other proceeding affecting the Property. Grantor hereby appoints Lender as its attorney-in-fact to commence, intervene in, and defend such actions, suits, or other legal proceedings and to compromise or settle any claim or controversy pertaining thereto. Lender shall not be liable to Grantor for any action, error, mistake, omission or delay pertaining to the actions described in this paragraph or any damages resulting therefrom. Nothing contained herein will prevent Lender from taking the actions described in this paragraph in its own name. Grantor shall cooperate and assist Lender in any action hereunder.

18. **INDEMNIFICATION.** Lender shall not assume or be responsible for the performance of any of Grantor's obligations with respect to the Property under any circumstances. Grantor shall immediately provide Lender and its shareholders, directors, officers, employees and agents with written notice of and indemnify and hold Lender harmless from all claims, damages, liabilities, (including attorneys' fees and legal expenses, to the extent permitted by applicable law) causes of action, actions, suits and other legal proceedings (collectively "Claims") pertaining to the Property (including, but not limited to, those involving Hazardous Materials). Grantor, upon the request of Lender, shall hire legal counsel acceptable to Lender to defend Lender from such Claims, and pay the attorneys' fees, legal expenses (to the extent permitted by applicable law) and other costs incurred in connection therewith. In the alternative, Lender shall be entitled to employ its own legal counsel to defend such Claims at Grantor's cost. Grantor's obligation to indemnify Lender shall survive the termination, release or foreclosure of this Mortgage.

19. **TAXES AND ASSESSMENTS.** Grantor shall pay all taxes and assessments relating to Property when due. Upon the request of Lender, Grantor shall deposit with Lender each month one-twelfth (1/12) of the estimated annual insurance premium, taxes and assessments pertaining to the Property as estimated by Lender. So long as there is no default, these amounts shall be applied to the payment of taxes, assessments and insurance on the Property. In the event of default, Lender shall have the right, at its sole option, to apply the funds so held to pay said taxes or against the Obligations. Any funds applied against the Obligations shall be applied in the inverse order of the due dates thereof.

20. **INSPECTION OF PROPERTY, BOOKS, RECORDS AND REPORTS.** Grantor shall allow Lender, or its agents to examine and inspect the Property and examine, inspect and make copies of Grantor's books and records pertaining to the Property from time to time. Grantor shall provide any assistance required by Lender for these purposes. All of the signatures and information contained in Grantor's books and records shall be genuine, true, accurate and complete in all respects. Grantor shall note the existence of Lender's beneficial interest in its books and records pertaining to the Property. Additionally, Grantor shall report, in a form satisfactory to Lender, such information as Lender may request regarding Grantor's financial condition or the Property. The information shall be for such periods, shall reflect Grantor's records at such time, and shall be rendered with such frequency as Lender may designate. All information furnished by Grantor to Lender shall be true, accurate and complete in all respects.

21. **ESTOPPEL CERTIFICATES.** Within ten (10) days after any request by Lender, Grantor shall deliver to Lender, or any intended transferee of Lender's rights with respect to the Obligations, a signed and acknowledged statement specifying (a) the outstanding balance on the Obligations; and (b) whether Grantor possesses any claims, defenses, set-offs or counterclaims with respect to the Obligations; and, if so, the nature of such claims, defenses, set-offs or counterclaims. Grantor will be conclusively bound by any representation that Lender may make to the intended transferee with respect to these matters in the event that Grantor fails to provide the requested statement in a timely manner.

22. **DEFAULT.** Grantor shall be in default under this Mortgage in the event that Grantor, Borrower or any guarantor of any Obligation:
(a) fails to pay any Obligation to Lender when due;

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35. SUCCESSORS AND ASSIGNS. This Mortgage shall be binding upon and inure to the benefit of Grantor and Lender and their respective successors, assigns, trustees, receivers, administrators, personal representatives, legatees and devisees.

36. NOTICES. Any notice or other communication to be provided under this Mortgage shall be in writing and sent to the parties at the addresses described in this Mortgage or such other address as the parties may designate in writing from time to time. Any such notice so given and sent by certified mail, postage prepaid, shall be deemed given three (3) days after such notice is sent and on any other such notice shall be deemed given when received by the person to whom such notice is being given.

37. SEVERABILITY. If any provision of this Mortgage violates the law or is unenforceable, the rest of the Mortgage shall continue to be valid and enforceable.

38. APPLICABLE LAW. This Mortgage shall be governed by the laws of the state where the Property is located. Grantor consents to the jurisdiction and venue of any court located in such state.

39. MISCELLANEOUS. Grantor and Lender agree that time is of the essence. Grantor waives presentment, demand for payment, notice of dishonor and protest except as required by law. All references to Grantor in this Mortgage shall include all persons signing below. If there is more than one Grantor, their Obligations shall be joint and several. Grantor hereby waives any right to trial by jury in any civil action arising out of, or based upon, this Mortgage or the Property securing this Mortgage. This Mortgage and any related documents represent the complete integrated understanding between Grantor and Lender pertaining to the terms and conditions of those documents.

40. ADDITIONAL TERMS.

This Mortgage is executed by Trustee, not personally, but as Trustee and it is expressly understood that nothing contained herein shall be construed as creating any personal liability on Trustee, and any recovery shall be solely against and out of the Property; however, this waiver shall not affect the liability of any Borrower or guarantor of the Obligations.

Grantor acknowledges that Grantor has read, understands, and agrees to the terms and conditions of this Mortgage.

Dated: APRIL 18, 1996

GRANTOR: FIRST NATIONAL BANK AND TR CO OF NV (GRANTOR:
as Trustee under Trust Agreement No. R-2070

(SEE TRUSTEE'S SIGNATURE RIDER
ATTACHED HERETO AND MADE A
PART HEREOF)

not personally, but as Trustee

GRANTOR:

GRANTOR:

GRANTOR:

GRANTOR:

GRANTOR:

GRANTOR:

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State of _____)
County of _____) ss.

State of _____)
County of _____) ss.

I, _____ a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____ personally known to me to be the same person whose name _____ subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that _____ he _____ signed, sealed and delivered the said instrument as _____ free and voluntary act, for the uses and purposes herein set forth.

The foregoing instrument was acknowledged before me this _____ by _____ as _____ on behalf of the _____

Given under my hand and official seal, this _____ day of _____

Given under my hand and official seal, this _____ day of _____

Notary Public

Notary Public

Commission expires: _____

Commission expires: _____

SCHEDULE A

(SEE TRUSTEE'S SIGNATURE RIDER ATTACHED HERETO AND MADE A PART HEREOF)

The street address of the Property (if applicable) is:

2801 - 2809 W LUNT
CHICAGO, IL 60645

Permanent Index No.(s): 10-36-111-016-0000

The legal description of the Property is:

LOT 1 IN HENRY W. HOFFMAN'S SUBDIVISION OF THE NORTH 165 FEET OF THE EAST 646 FEET (EXCEPT THAT PART THEREOF DEDICATED FOR STREETS) OF LOT 1 IN CIRCUIT COURT PARTITION OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 36, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

de reg # 92229275

SCHEDULE B

Cook County Clerk's Office

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This instrument was prepared by: FIRST BANK & TRUST OF EVANSTON

After recording return to Lender.

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