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**RECORDATION REQUESTED BY:**

**SOUTHWEST FINANCIAL BANK  
AND TRUST COMPANY  
15330 S. LAGRANGE AVENUE  
ORLAND PARK, IL 60462**

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DEPT-01-RECORDING 637.50  
150021: TRAN 7739 06/20/97 09:05:00  
#1844 & KP #97-442581  
COOK COUNTY RECORDER

**WHEN RECORDED MAIL TO:**

**SOUTHWEST FINANCIAL BANK  
AND TRUST COMPANY  
15330 S. LAGRANGE AVENUE  
ORLAND PARK, IL 60462**

FOR RECORDER'S USE ONLY

**This Mortgage prepared by:**

**SOUTHWEST FINANCIAL BANK AND TRUST CO.  
15330 S. LAGRANGE ROAD  
ORLAND PARK, IL 60462**

TITLE SERVICES #

5000424102

3A50  
06/20/97

## MORTGAGE

THIS MORTGAGE IS DATED JUNE 12, 1997, between **SOUTHWEST FINANCIAL BANK AND TRUST COMPANY, NOT PERSONALLY BUT AS TRUSTEE UNDER TRUST #1-0783 DATED NOVEMBER 2, 1992**, not personally but as Trustee under the provisions of a Trust Agreement dated November 2, 1992, whose address is 9801 SOUTH WESTERN AVENUE, CHICAGO, IL 60643 (referred to below as "Grantor"); and **SOUTHWEST FINANCIAL BANK AND TRUST COMPANY**, whose address is 15330 S. LAGRANGE AVENUE, ORLAND PARK, IL 60462 (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"):

**LOT 15 IN BLOCK 1 IN O. RUETER AND COMPANY'S MORGAN PARK MANOR SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 13, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.**

The Real Property or its address is commonly known as 18644 SOUTH WESTERN AVENUE, CHICAGO, IL 60643. The Real Property tax identification number is 24-13-233-026.

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.

**Grantor.** The word "Grantor" means **SOUTHWEST FINANCIAL BANK AND TRUST COMPANY, NOT PERSONALLY BUT AS TRUSTEE UNDER TRUST #1-0783 DATED NOVEMBER 2, 1992**. Trustee under that certain Trust Agreement dated November 2, 1992 and known as . The Grantor is the mortgagor under this

12-12-1987  
Loan No 7877

**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 hereafter improvements, 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 Note 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 the Mortgage. All in full shall the principal amount of indebtedness secured by the Mortgage, not including sums advanced to protect the security of the Mortgage, exceed the note amount of \$25,000.00.

**Lender.** The word "Lender" means SOUTHWEST FINANCIAL 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.

**Note.** The word "Note" means the promissory note or credit agreement dated June 12, 1987, in the original principal amount of \$25,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The interest rate on the Note is 9.00%.

**Personal Property.** The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned or hereafter acquired, and now or hereafter attached or affixed to the Real Property, together with all accessories, 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 proceeds of judgments) 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 guaranties, leases, credit agreements, loan agreements, environmental agreements, guarantees, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter made, executed in connection with the Indebtedness.

**Rents.** The word "Rents" means all present and future rents, revenues, profits, income, 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 UNDISBURSED AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED DOCUMENTS. 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:

**Payment of Rents.** Until in default or until Lender exercises its right to collect Rents as provided for in the Assignment of Rents form executed by Grantor in connection with the Property, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents from the Property.

**Use to Maintain.** Grantor shall maintain the Property in tenable condition and promptly perform all repairs, improvements, and maintenance necessary to preserve its value.

**Hazardous Substances.** The terms "hazardous waste," "hazardous substance," "disposal," "release," and "transportation," 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. 99-540 (1986), the Hazardous Material Transportation Act, 49 U.S.C. Section 1601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 9601, et seq., or other applicable state or Federal laws, rules, or regulations enacted 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 liquid, sludge, or residue. 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, transport or intentional release of any hazardous waste or substance by any person on, under, about or from 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 on, under, about or from the Property 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, about or from the Property and (ii) any such activity shall be conducted in compliance with all 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 and hazardous substances. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in any 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, including without limitation, the Americans With Disabilities Act. 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 for the character and use of the 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, 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

Last to July

with charges over the obligation to pay, so long as Lender's interest in the Property is not extinguished. If a fire or other cause as a result of negligence, Grantor shall within fifteen (15) days after the loss occurs or, if the loss is not within fifteen (15) days after Grantor has notice of the fire, before the discharge of the loan, or if required by Lender, deposit with Lender cash or a sufficient certificate under bond or other security satisfactory to Lender in an amount sufficient to discharge the loan plus any costs and charges, less or plus any amount the court accrues as a result of a foreclosure or sale under the loan. In any event, Lender shall have first and Lender and shall satisfy any adverse judgment before enforcement against the Property, except that none Lender as an additional charge under any surety bond furnished in the event of recovery.

**Notice of Proceedings.** Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes and assessments and shall authorize the appropriate governmental officials to deliver to Lender at any time a writ of assistance of the taxes and assessments against the Property.

**Notice of Completion.** Grantor shall notify Lender at least fifteen (15) days before any work is commenced on the Property, or any materials are supplied to the Property, if any contractor's lien, subcontractor's lien or other claim would be asserted on account of the work, services, or materials. Grantor shall upon request of Lender advance insurance satisfactory to Lender that Grantor own and will pay the cost of such insurance.

**PROPERTY INSURANCE COVERAGE.** 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 fire and marine coverage and policies 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 co-insurance clause, and all a standard mortgage clause favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insured in each policy. Additionally, Grantor shall maintain such other insurance, including but not limited to wind, business interruption and boiler insurance on Lender any other. Policies shall be written by insurance companies and in each case so far as reasonably practicable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer, including a statement that coverages will not be assigned or subordinated without a written consent of the insurer, and to Lender and not constituting any disclaimer of the insurer's liability for failure to pay such claims. Each insurance policy also shall include an endorsement providing that coverage is not to be voided in any way by any act, omission or default of Grantor or any other person. Each fire insurance policy shall be issued in an area designated by the Director of the Federal Insurance Administration as a special flood hazard area. Grantor agrees to obtain and maintain Federal Flood Insurance by the principal balance of the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

**Application of Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Property if the insured cost of repair or replacement exceeds \$1,000.00. Lender may make good of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender is a mortgagee, Lender may, if it deems it in the interest of the protection of the indebtedness, pay or cause to be paid for the repair or replacement of the damaged or destroyed improvements on the Property, and Grantor shall, upon satisfactory proof of such expenditures, pay or reimburse Lender from the proceeds of the insurance cost of repair or replacement 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 applied to the repair or replacement of the Property shall be used first to pay any amount owing to Lender under the mortgage, then to pay any amount owed to the insured, 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.

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

**Lender's Right on Insurance.** Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (a) the name of the insurer; (b) the face amount; (c) the amount of the policy; (d) the property insured, the full current replacement value of the property, and the manner of determining that value; and (e) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value of the Property.

**Waiver of Subrogation.** If Grantor fails to comply with any provision of this Mortgage, or if any other person is negligent, it is agreed that Grantor shall waive subrogation of Lender's interest in the Property. Lender or trustee shall not be required to, take any action that Lender deems appropriate. Any proceeds that Lender receives, if a claim will bear interest at the rate provided for in the Note from the time received or paid by Lender to the date of repayment by Grantor. All such expenses, at Lender's option, will (a) be payable at interest to be added to the principal of the Note and be applicable among and be payable with any other amounts due to Lender and (b) be treated as a separate payment which will be due and payable at the Note's maturity. The mortgage shall not be a lien for the payment of these expenses. The rights provided for in this paragraph shall be in addition to any other rights of any remedy in which Lender may be entitled on account of the default. Any such claim by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have.

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**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 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.

**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 action 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 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 Note; 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 the 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 Real 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.

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**FOURTH 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, on 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 transfer, releases, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable to carry out the purposes, conditions, covenants, or provisions of the obligations of Grantor under this Mortgage, and the Related Documents, and (b) the laws and security interests created by the Mortgage as set out hereon on the Property, whether now owned or hereafter acquired by Grantor. This obligation is not to be limited 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 by and in the name of Grantor and at Grantor's expense. For such purposes, Lender 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 purposes referred to in the preceding paragraph.

**FULL PERFORMANCE.** Grantor pays all the indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage. Lender shall execute and deliver to Grantor a written confirmation of the full payment and satisfaction of termination of any financing statement on the underlying Lender's security interest in the Property or the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable collection fee as determined by Lender from time to time. If, however, payment is made by Grantor, whether voluntarily or otherwise, or by retention or by any third party, on the indebtedness and Lender is forced to remit the amount of such debt or part (a) to Grantor's trustee in bankruptcy or to any similar person under applicable or state bankruptcy law or (b) for the relief of debtors, (c) 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 (d) by reason of any judgment or compromise of any court made by Lender with any claimant, including a claimant who is a creditor, the indebtedness shall be considered paid for the purpose of enforcement of this Mortgage and the Lender shall continue to be effective or may be reinstated, as the case may be, notwithstanding any termination of this Mortgage or of any note or other instrument or agreement evidencing the indebtedness. The Lender will continue to secure the amount repaid or recovered to the same extent as if that amount were the full amount 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, constitutes an event of default ("Event of Default") under this Mortgage:

- Default on Indebtedness.** Failure of Grantor to make any payment when due on the indebtedness.
- Default on Other Payments.** Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to protect this or to effect discharge of any lien.
- Default on Other Obligations.** Failure of Grantor to comply with any other obligation, covenant or condition contained in this Mortgage, the Note or in any of the Related Documents.
- Default in Favor of Third Parties.** Should Grantor default under any law, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may adversely affect any of Grantor's property or Grantor's ability to repay the Note or Grantor's ability to perform Grantor's obligations under this Mortgage or any of the Related Documents.
- Fraudulent Statements.** Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Mortgage, the Note or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.
- Subsequent Confession of Judgment.** This Mortgage or any of the Related Documents ceases to be a perfected security interest or lien at any time and for any reason.
- Insolvency.** The declaration or liquidation of the Trust, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any filing of a petition in bankruptcy, or the commencement of any proceeding under any bankruptcy or insolvency law by or against Grantor.
- Seizure, Foreclosure, etc.** Commencement of foreclosure or writ proceedings, whether by judicial process or self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any of the Property. However, this subsection shall not apply in the case of a good faith claim by Grantor as to the validity or nonexistence of the claim which is the basis of the foreclosure or writ proceedings, provided that Grantor gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender.
- Breach of Other Agreement.** Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not revealed within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

**Events Affecting Grantor.** Any of the preceding events occurs with respect to any Guarantor of any of the

Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure the Event of Default.

**Adverse Change.** A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Lender reasonably deems itself insecure.

**Right to Cure.** If such a failure is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Grantor, after Lender sends written notice demanding cure of such failure: (a) cures the failure within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**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 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 Note 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 Note. 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

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## MORTGAGE

(Continued)

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proceedings including efforts to modify or vacate any automatic stay or injunction, requests and any subsequent post-judgment collection services, the cost of searching records, obtaining title reports (including insurance reports), surveyors' reports, and appraisal fees, and life insurance, to be exact provided by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

**NOTICE 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 registered mail, and shall be deemed to be 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, certified or registered mail, postage prepaid, directed to the address shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that its purpose is to change the party's address. All copies of notices of foreclosure from the holder of the note 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.

**INCIDENTAL AND 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 of 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.

**Annual Reports.** If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a year-end statement of net operating income received from the Property during Grantor's previous fiscal year or such term and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

**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.

**Multiple Parties; Corporate Authority.** All obligations of Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Mortgage.

**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 the provision invalid or unenforceable as to any other persons or circumstances. If feasible, 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 a 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, its successors and assigns, may deal with Grantor's successors with reference to this Mortgage and the instrument by way of assignment or extension without releasing Grantor from the obligations of this Mortgage, including under the provisions.

**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.

**Waiver and Consent.** Lender shall not be deemed to have waived any rights under this Mortgage (or under any Related Documents) unless such waiver is in writing and signed by Lender. No delay or abatement 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 enforce strict compliance with that provision or any other provision. No oral waiver by Lender, nor any other act or 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 transactions where such consent is required.

**GRANTOR'S LIABILITY.** This Mortgage is executed by Grantor, not personally but as Trustee as provided above in the exercise of the power and the authority conferred upon and vested in it as such Trustee and Grantor hereby warrants that it possesses full power and authority to execute this instrument. It is expressly understood and agreed that with the execution of the foregoing warranty, notwithstanding anything to the contrary contained herein, the grantor and all of the covenants, indemnities, representations, covenants, undertakings, and warranties made in this Mortgage on the part of Grantor, while in form purporting to be the warranties, indemnities, representations, covenants, undertakings, and agreements of Grantor, are nevertheless each and every one of them made and intended not as personal warranties, indemnities, representations, covenants, undertakings, and



agreements by Grantor or for the purpose or with the intention of binding Grantor personally, and nothing in this Mortgage or in the Note shall be construed as creating any liability on the part of Grantor personally to pay the Note or any interest that may accrue thereon, or any other indebtedness under this Mortgage, or to perform any covenant, undertaking, or agreement, either express or implied, contained in this Mortgage, all such liability, if any, being expressly waived by Lender and by every person now or hereafter claiming any right or security under this Mortgage, and that so far as Grantor and its successors personally are concerned, the legal holder or holders of the Note and the owner or owners of any indebtedness shall look solely to the Property and to other assets of the Trust for the payment of the Note and indebtedness, by the enforcement of the lien created by this Mortgage in the manner provided in the Note and herein or by action to enforce the personal liability of any Guarantor.

**SOUTHWEST FINANCIAL BANK AND TRUST COMPANY, NOT PERSONALLY BUT AS TRUSTEE UNDER TRUST #1-0783 DATED NOVEMBER 2, 1992 ACKNOWLEDGES HAVING READ ALL OF THE PROVISIONS OF THIS MORTGAGE AND NOT PERSONALLY, BUT AS TRUSTEE AS PROVIDED ABOVE, HAS CAUSED THIS MORTGAGE TO BE SIGNED BY ITS DULY AUTHORIZED OFFICERS AND ITS CORPORATE SEAL TO BE HEREUNTO AFFIXED.**

**GRANTOR:**

**SOUTHWEST FINANCIAL BANK AND TRUST COMPANY, NOT PERSONALLY BUT AS TRUSTEE UNDER TRUST #1-0783 DATED NOVEMBER 2, 1992**

By: Joseph D. Molszani  
TRUST OFFICER

By: Veronica Kenny  
AUTHORIZED OFFICER, ATTEST

97442581

**CORPORATE ACKNOWLEDGMENT**

STATE OF Illinois )  
 ) ss  
COUNTY OF Cook )

On this 15th day of June, 19 97, before me, the undersigned Notary Public, personally appeared Joseph D. Molszani, TRUST OFFICER; and Veronica Kenny, ATTEST of **SOUTHWEST FINANCIAL BANK AND TRUST COMPANY, NOT PERSONALLY BUT AS TRUSTEE UNDER TRUST #1-0783 DATED NOVEMBER 2, 1992**, and known to me to be authorized agents of the corporation that executed the Mortgage and acknowledged the Mortgage to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the use and purpose therein mentioned, and on oath stated that they are authorized to execute this Mortgage and in fact executed the Mortgage on behalf of the corporation.

By Patricia M. Lake Residing at 9901 So. Halston Ave - Chicago

Notary Public in and for the State of Illinois  
My commission expires 7/9/2000



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