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## MORTGAGE AND SECURITY AGREEMENT

from

Fred Yurk

and

Judith Yurk

to

Bank of Northern Illinois, N.A.  
a national banking association

Dated as of September 1, 1997

. DEPT-01 RECORDING	\$35.00
. T#0012 TRAN 6847 09/30/97 12:45:00	
. #6192 # CG *-97-723691	
. COOK COUNTY RECORDER	
. DEPT-10 PENALTY	\$32.00

35.00  
32.00  
67.00

76824250 LD

Property of Cook County Clerk's Office

This Instrument Prepared By and  
to be Returned After Recording  
to:

Bank of Northern Illinois, N.A.  
COMMERCIAL LOAN DEPARTMENT  
1313 Delany Road  
Gurnee, Illinois 60031

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### BOX 333-CTI

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11/11/11

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11/11/11

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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT is made September 1, 1997 between Fred Yurk and Judith Yurk, hereinafter referred to collectively as Mortgagor, and Bank of Northern Illinois, N.A., a national banking association, hereinafter referred to as Mortgagee.

**WITNESSETH:**

WHEREAS, Fred Yurk and Judith Yurk is/are indebted to Mortgagee in the principal sum of Seventy two thousand dollars 00/100 Dollars (\$72,000.00) ("Principal"), which indebtedness is evidenced by a certain Installment Note of even date herewith executed by Fred Yurk and Judith Yurk ("Note"). The Note is incorporated herein by reference;

NOW, THEREFORE, TO SECURE to Mortgagee (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions and modifications thereof, and (b) the payment of all other sums, with interest, advanced in accordance herewith to protect the security of this Mortgage, the Mortgagor does hereby MORTGAGE, GRANT AND CONVEY to the Mortgagee the real property located in Cook County, Illinois described on Exhibit A;

TOGETHER, with all buildings and improvements now or hereafter constructed upon said real estate or any part hereof, and all heretofore or hereafter vacated alleys and streets abutting said real estate, and together with all fixtures and equipment now or hereafter installed for use in the operation of the building or buildings now or hereafter constructed on said real estate, including, but not limited to, all lighting, heating, cooling, ventilating, air conditioning, plumbing, sprinkling, communicating and electrical systems, and the machinery, appliances, fixtures, and equipment pertaining thereto, all awnings, water heaters, incinerators and carpeting, all of which buildings, improvements, fixtures, equipment and appliances are pledged primarily and on a parity with said real estate and not secondarily and which shall be deemed to be a part of the real estate;

TOGETHER with all rents, issues and profits and leases thereof for so long and during all such times as Mortgagor, its successors and assigns may be entitled thereto, and the tenements, hereditaments, easements and appurtenances belonging to the premises.

Any reference herein made to the "premises" shall be deemed to mean the above-described real estate and said buildings, improvements, fixtures, equipment, and appliances, and the rents, issues, profits and leases thereof, and said tenements, hereditaments, easements and appurtenances, unless the context shall require otherwise.

TO HAVE AND TO HOLD the premises unto the Mortgagee, its successors and assigns, forever, for the purpose and uses set forth herein.

**MORTGAGOR DOES HEREBY COVENANT AND AGREE AS FOLLOWS:**

1. **PAYMENT OF PRINCIPAL AND INTEREST:** Mortgagor shall pay or cause to be paid the principal and interest of the Note in accordance with the terms and provisions thereof and shall pay when due all other amounts provided herein.

2. **PRESERVATION AND MAINTENANCE OF PROPERTY:** Mortgagor will abstain from and will not permit the commission of waste on the premises and will keep the buildings, improvements, fixtures and equipment now or hereafter thereon in good repair and will make replacements thereto as and when the same become necessary. Mortgagor shall promptly notify Mortgagee in writing of the occurrence of any loss or damage to the premises. Mortgagor shall not materially alter the buildings, improvements, fixtures or equipment now or hereafter upon said premises, or remove the same therefrom, or permit any tenants or other persons to do so, without the prior written consent of the Mortgagee. Mortgagor will not permit any portion of the premises to be used for any unlawful purposes. Mortgagor covenants and agrees that in the ownership, operation and management of the premises Mortgagor will observe and comply with all applicable federal, state and local statutes, ordinances, regulations, orders and restrictions, including, without limitation, all zoning, building codes, environmental protection and equal opportunity statutes, ordinances, regulations, orders and restrictions. If this Mortgage is on a condominium or planned unit development, Mortgagor shall perform all of Mortgagor's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents. Mortgagee shall have the right at any time, and from time to time, to enter the premises for the purpose of inspecting the same.

3. **HAZARD INSURANCE:** Mortgagor shall keep all the premises insured against loss or damage by fire and the perils covered by extended coverage insurance, and such other risks (including without limitation, war damage insurance, and rent insurance) as may be required by Mortgagee from time to time. In the absence of any notice being given by mortgagor, the amount shall be equal to the unpaid principal balance. Mortgagor shall also provide liability insurance with such limits for personal injury and death and property damage as Mortgagee may, from time to time, require. All policies of insurance to be furnished hereunder shall be in form, content, and amount and with insurer or insurers satisfactory to Mortgagee, with a Standard Mortgage Clause and Lenders Loss Payable Clause attached to all policies in favor and in form and content satisfactory to the Mortgagee. The policies of all such insurance and all renewals thereof, together with the receipt evidencing payment in full of the premium thereon, shall be deposited with the Mortgagee and shall contain a provision for thirty (30) days notice to the Mortgagee prior to any cancellation thereof. In the event of loss or damage, the Mortgagee shall, after deducting the costs of collection thereof, if any, make the insurance proceeds available to the Mortgagor for repair and restoration, provided: (a) the proceeds are deposited with the Mortgagee; (b) there is no default under the terms of the Note, Mortgage, or any other instrument securing the indebtedness; (c) the insurance carrier does not deny liability to a named insured; (d) the Mortgagee shall be furnished with an estimate of the costs of reconstruction accompanied by an architect's certification as to such costs and appropriate plans and specification; (e) if the estimated costs of reconstruction shall exceed the proceeds available, Mortgagor shall furnish a bond of completion or such other evidence reasonably satisfactory to the Mortgagee of the Mortgagor's ability to pay the excess costs; (f) disbursement of the proceeds during the reconstruction shall be through a construction escrow, if required by Mortgagee, upon an architect's certification as to the cost of the work done and evidence that there are no liens arising upon the reconstruction. No payment made prior to the final completion of work shall exceed ninety percent (90%) of the value of the work performed from time to time and at all times the undisbursed balance of the said proceeds remaining in the hands of Mortgagee shall be at least sufficient to pay for the costs of completion of the work free and clear of liens; (g) final payment shall be upon an architect's certificate and certification by one of the Mortgagee's appraisers as to completion in accordance with plans and specifications. The building and improvements so restored or rebuilt are to be of at least equal value and of substantially the same character as prior to the damage or destruction. In all other cases the proceeds of the loss under any policy shall be paid over to the Mortgagee and shall be applied toward the payment of all amounts payable by Mortgagor to Mortgagee or the Note maker, whether or not then due and payable.

4. **CHARGES; LIENS:** Mortgagor shall pay when due all taxes and assessments that may be levied on said premises, and shall promptly deliver to Mortgagee receipts showing payment thereof. Mortgagor shall pay when due all taxes and assessments that may be levied upon or on account of this Mortgage or the indebtedness secured hereby or upon the interest or estate in said premises created or represented by this Mortgage whether levied against Mortgagor or otherwise. In the event payment by Mortgagor of any tax referred to in the foregoing sentence would either be unlawful if made or would result in the payment of interest in excess of the rate permitted by law then Mortgagor shall have no obligation to pay the portion of such tax which would result in the payment of such excess; provided, however, in any such event, at any time after the enactment of the law providing for such tax, Mortgagee at its election, may declare the entire principal balance of the indebtedness secured hereby, together with interest thereon, to be due and payable immediately, without notice.

5. **FUNDS FOR TAXES AND INSURANCE:** If required by Mortgagee, Mortgagor shall pay to Mortgagee, at the times provided in said Note for payment of installments of principal and interest, and in addition thereto, installments of taxes and assessments to be levied upon the premises, and installments of the premiums that will become due and payable to renew the insurance hereinabove provided; said installments to be substantially equal and to be in such amount as will assure to Mortgagee that not less than thirty (30) days before the time when such taxes and premiums respectively become due, Mortgagor will have paid to Mortgagee a sufficient amount to pay such taxes and premiums in full. Said amounts paid to Mortgagee hereunder need not be segregated or kept in a separate fund and no interest shall accrue or be payable thereon. Said amounts shall be held by Mortgagee as additional security for the indebtedness secured hereby. Said amount shall be applied to the payment of

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said taxes, assessments and insurance premiums when the same become due and payable; provided, however, that Mortgagee shall have no liability for any failure to so apply said amounts for any reason whatsoever. Nothing herein contained shall in any manner limit the obligation of Mortgagor to pay taxes and to maintain insurance as above provided. In the event of any default by Mortgagor, Mortgagee may, at its option but without any obligation on its part so to do, apply said amount upon said taxes, assessments and insurance premiums, and/or toward the payment of any amounts payable by Mortgagor to Mortgagee under the Mortgage and/or toward the payment of the indebtedness secured hereby or any portion thereof, whether or not then due or payable. Mortgagee agrees that as long as Mortgagor pays all taxes and insurance on a timely basis and provides Mortgagee with evidence of same within thirty days of payment that Mortgagee will not require payment of such sums to be made to Mortgagee.

**6. PROTECTION OF LENDER'S SECURITY:** If default be made in the payment of any of the aforesaid taxes or assessments or in making repairs or replacements or in procuring and maintaining insurance and paying the premiums therefor, or in keeping or performing any other covenant of Mortgagor herein, Mortgagee may, at its option and without any obligation on its part so to do, pay said taxes and assessments, make such repairs and replacements, effect such insurance, pay such premiums, and perform any other covenant of Mortgagor herein. All amounts expended by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagor to Mortgagee forthwith on demand with interest thereon at the rate applicable under the Note from the date of such expenditure.

**7. REIMBURSEMENT FOR MORTGAGEE LEGAL EXPENSE:** In the event that Mortgagee initiates or is made a party to any suit or proceedings by reason of the interest of Mortgagee in the premises, Mortgagor shall reimburse Mortgagee for all reasonable costs and expenses, including reasonable attorneys' fees, incurred by Mortgagee in connection therewith, whether or not said proceeding or suit ever goes to trial. All amounts incurred by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagor to Mortgagee forthwith on demand with interest thereon at the rate applicable under the Note from the date of such expenditure.

**8. ACCELERATION:** Should default be made in the payment of the principal or interest of the Note or any other indebtedness secured hereby or any renewal thereof, or in the payment of any other sums provided in said Note or herein, or in the performance of any covenant or condition provided in said Note or herein, or default occurs as specified in paragraph 19 herein, or in the Note, or in any other instrument or agreement securing said Note or any other indebtedness secured hereby, or in the event judicial proceedings are instituted to foreclose a lien upon the mortgaged premises or any part thereof, Mortgagee may at any time after such default, and without notice, declare the principal balance of the indebtedness secured hereby, together with interest thereon, to be due and payable immediately. The commencement of proceedings to foreclose this Mortgage shall, in any event, be deemed such declaration. In addition to any other right or remedy which Mortgagee may now or hereafter have by law, the Mortgagee shall have the right and power (a) to foreclose this Mortgage by legal action, as provided by Illinois Statute and the rules of practice relating thereto, and (b) to enter upon and take possession of said premises with the irrevocable consent of Mortgagor as given and evidenced by its execution of this instrument, and as Mortgagee in possession, let said premises, and receive all the rents, issues and profits thereof, which are overdue, due or to become due, and to apply the same, after the payment of all reasonable charges and expenses deemed by Mortgagee to be necessary, on account of the indebtedness secured hereby, Mortgagor for itself and any subsequent owner of said premises hereby agreeing to pay to Mortgagee in advance a reasonable rent for the premises occupied by it, and in default of so doing hereby agrees that it may be dispossessed by the usual legal proceedings available against any defaulting tenant of real estate and further agreeing to permit any action to be brought in its name to dispossess any tenant defaulting in the payment of rent to Mortgagee or violating the terms of its occupancy, which right and power are effective and may be enforced either with or without any action to foreclose this Mortgage.

**9. APPLICATION OF PROCEEDS OF FORECLOSURE:** Upon a foreclosure sale of said premises or any part thereof, the proceeds of such sale shall be applied in the following order:

- (a) To the payment of all costs of the suit of foreclosure, including reasonable attorneys' fees and the costs of title searches and abstracts;
- (b) To the payment of all other expenses of Mortgagee incurred in connection with the foreclosure, including all money expended by Mortgagee and all other amounts payable by Mortgagor to Mortgagee hereunder, with interest thereon;
- (c) To the payment of interest and then the principal indebtedness secured hereby;
- (d) To the payment of the surplus, if any, to Mortgagor or to whomsoever shall be entitled thereto.

**10. WAIVER OF HOMESTEAD; WAIVER OF REDEMPTION:** Mortgagor waives and releases all rights and benefits under and by virtue of the Homestead Exemption Laws of Illinois and all other exemption laws, moratorium laws or other laws limiting the enforcement hereof. MORTGAGOR WAIVES ANY AND ALL RIGHTS OF REDEMPTION UNDER ANY JUDGMENT OF FORECLOSURE OF THIS MORTGAGE, AND ANY REDEMPTION RIGHTS GRANTED BY THE "ILLINOIS MORTGAGE FORECLOSURE LAW" ("IMFL"), ON BEHALF OF MORTGAGOR, THE TRUST ESTATE, IF ANY, AND ALL PERSONS BENEFICIALLY INTERESTED THEREIN, AND EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN OR TITLE TO THE MORTGAGED PREMISES AS OF OR SUBSEQUENT TO THE DATE OF THIS MORTGAGE. Further, Mortgagor hereby waives the benefit of all appraisal, valuation, stay or extension laws, and any reinstatement rights (e.g., as under Section 15-1602 of the IMFL), now or hereafter in force, and all rights of marshalling in the event of any sale hereunder of the Mortgaged Premises or any part thereof or any interest therein.

**11. RECEIVER; MORTGAGEE IN POSSESSION:** Upon or at any time after the filing of any bill, complaint or petition to foreclose this Mortgage, the court may, upon application of Mortgagee, place the mortgagee in possession or appoint a receiver of the mortgaged premises. Such appointment may be made either before or after the sale, without notice, and without regard to the solvency or insolvency at the time of application for appointment, of the person or persons, if any, liable for the payment of the indebtedness secured hereby and without regard to the then value of the mortgaged premises or whether the same shall be then occupied as a homestead or not, and without bond being required of the applicant. Such receiver or mortgagee in possession to the extent permitted by law shall have the power to take possession, control, and manage of said premises, and to collect the rents, issues and profits of said premises during the pendency of such foreclosure, and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when Mortgagor, its successors and assigns, except for the intervention of such mortgagee in possession or receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises, during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the costs of management of the property and collection of rents, including but not limited to the fees of the receiver or mortgagee in possession, premiums on receiver's bonds and reasonable attorneys' fees; (b) the indebtedness secured hereby or of any judgment foreclosing this Mortgage or any tax, special assessment, or other lien which may be or become superior to the lien hereof, or of such judgment, provided such application is made prior to foreclosure sale; (c) the deficiency in case of sale and deficiency. Any such proceeding shall in no manner prevent or retard the collection of said indebtedness by foreclosure or otherwise.

**12. CONDEMNATION:** Any and all awards by any governmental or other lawful authority for taking, by condemnation or eminent domain, the whole or any part of the premises or any improvement located thereon or any easement therein or appurtenant thereto or lease thereof (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for payment thereof), are hereby assigned by Mortgagor to Mortgagee, which award Mortgagee is hereby authorized to collect and receive from the condemnation authorities, and Mortgagee is hereby authorized to give appropriate receipts and acquittances therefor. Mortgagor covenants and agrees that Mortgagor will give Mortgagee immediate notice of the actual or threatened commencement of any such proceedings under condemnation or eminent domain, affecting all or any part of the said premises or any easement therein or appurtenant thereto, including severance and consequential damage and change in grade of streets and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor further covenants and agrees to make, execute, and deliver to Mortgagee, at any time or times upon request, free, clear and discharged of any encumbrances of any kind whatsoever, any and all further assignments and/or instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter to be made to Mortgagor for any taking, either permanent or temporary, under any such proceeding. Mortgagee shall make available the proceeds of any award received in connection with and in compensation for any such damage or taking for the purpose of rebuilding and restoring so much of the improvements within the premises affected thereby, subject to the following conditions: (a) that Mortgagor is not then in default under any of the

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terms, covenants and conditions hereof; (c) that all then existing leases affected in any way by such damage or taking shall continue in full force and effect without reduction or abatement of rental (except during the period of untenantability); (d) that Mortgagee shall first be given satisfactory proof that such improvements have been fully restored or that by the expenditures of such money will be fully restored, free and clear of all liens, except as to the lien of this Mortgage; (e) that in the event such award shall be insufficient to restore or rebuild the said improvements, Mortgagee shall deposit promptly with Mortgagee the amount of such deficiency, which, together with the award proceeds, shall be sufficient to restore and rebuild the said premises; (f) that in the event Mortgagee shall fail within a reasonable time, subject to delays beyond its control, to restore or rebuild the said improvements, Mortgagee, at its option, may restore or rebuild the said improvements for or on behalf of the Mortgagee and for such purpose may do all necessary acts including using said funds deposited by Mortgagee as aforesaid; (g) that the excess of said award not necessary for completing such restoration shall be applied as hereinafter provided as a credit upon any portion, as selected by Mortgagee, of the indebtedness secured hereby. In the event any of the said conditions are not or cannot be satisfied, then the proceeds shall be paid over to Mortgagee and shall be applied toward the payment of all amounts payable by Mortgagee to Mortgagee, whether or not then due and payable. Under no circumstances shall Mortgagee become personally liable for the fulfillment of the terms, covenants, and conditions contained in any of the said leases of the said premises nor obligated to take any action to restore the said improvements.

**13. BUSINESS LOAN:** Mortgagee warrants that the proceeds of the Note secured by the Mortgage will be used for the purposes specified in Illinois Compiled Statutes, 815 ILCS 205/4, and that the indebtedness secured hereby constitutes a business loan which comes within the purview of said section.

**14. SEVERABILITY:** Nothing contained herein or in the Note contained nor any transaction related thereto, shall be construed or shall so operate either presently or prospectively, (a) to require Mortgagee to pay interest at a rate greater than is now lawful in such case to contract for, but shall require payment of interest only to the extent of such lawful rate, or (b) to require Mortgagee to make any payment or do any act contrary to law, and if any clause or provision herein contained shall otherwise so operate to invalidate this Mortgage, in whole or in part, then such clauses and provisions only shall be held for naught as though not herein contained and the remainder of this Mortgage shall remain operative and in full force and effect, and Mortgagee shall be given a reasonable time to correct any error.

**15. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT:** Mortgagee, within ten (10) days after request by mail, shall execute, acknowledge, and deliver to Mortgagee a security agreement, financing statement, or other similar security instrument, in form satisfactory to the Mortgagee, covering all property, of any kind whatsoever owned by the Mortgagee and located on the premises, which, in the sole opinion of the Mortgagee, is essential to the operation of the premises and concerning which there may be any doubt as to whether the title to the same has been conveyed by or a security interest therein perfected by this Mortgage under the laws of the State of Illinois and will further execute, acknowledge, and deliver any financing statement, affidavit, continuation statement, or certificate or other document as Mortgagee may request in order to obtain, perfect, preserve, maintain, continue, and extend the security interest. Mortgagee further agrees to pay Mortgagee, on demand, reasonable costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing, and refiling of any such document.

**16. PARTIAL RELEASES:** Mortgagee, without notice, and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior lien, may release any part of the premises or any person liable for any indebtedness secured hereby, without in any way affecting the liability of any party to the Note and this Mortgage or any other security given for the indebtedness secured hereby and without in any way affecting the priority of the lien of this Mortgage and may agree with any party obligated on said indebtedness herein to extend the time for payment of any part or all of the indebtedness secured hereby. Such agreement shall not, in any way, release or impair the lien created by this Mortgage, or reduce or modify the liability of any person or entity personally obligated for the indebtedness secured hereby.

## 17. ENVIRONMENTAL MATTERS:

(a) The Mortgagee represents and warrants that it has obtained a written environmental site assessment of the premises prepared by a qualified environmental specialist in accordance with the latest revised ASTM Standard ASTM E50.02.2 "Phase I Environmental Site Assessment Process" and such additional investigation as may have been recommended by the author of the assessment, which does not disclose conditions that individually or in the aggregate could be expected to cause a Material Adverse Effect.

Mortgagee represents and warrants as of the date hereof: (i) the Mortgagee, any beneficiary of any Mortgage which is a land trust ("Beneficiary") or any of their affiliates or subsidiaries and the premises comply in all material respects with any applicable Environmental Law; (ii) the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries has obtained all Governmental Approvals required for its operations and the premises by any applicable Environmental Law; (iii) the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries has not, and has no knowledge of any other person who has, caused any Release, threatened Release, or disposal of any Hazardous Material at the premises in any material quantity; (iv) to the knowledge of the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries, the premises is not adversely affected by any Release, threatened Release, or disposal of a Hazardous Material originating or emanating from any other property; (v) the premises does not contain and has not contained any: (a) underground storage tank, (b) material amounts of asbestos-containing building material, (c) any landfills or dumps, (d) hazardous waste management facility as defined pursuant to RCRA or any comparable state law, or (e) site on or nominated for the National Priority List promulgated pursuant to CERCLA or any state remedial priority list promulgated or published pursuant to any comparable state law; (vi) the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries has not used a material quantity of any Hazardous Material and has conducted no Hazardous Material Activity at the premises; (vii) the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries has no material liability for response or corrective action, natural resource damage, or other harm pursuant to CERCLA, RCRA, or any comparable state law; the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries is not subject to, has no notice or knowledge of, and is not required to give any notice of any Environmental Claim involving the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries or the premises; there are no conditions or occurrences at the premises which could reasonably be anticipated to form the basis for an Environmental Claim against the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries or the premises; (viii) the premises is not subject to any (i) Release, threatened Release, or disposal of a Hazardous Substance or (ii) Environmental Law; or (e) any environmental, natural resource, health, or safety condition, which could reasonably be anticipated to have a Material Adverse Effect; (ix) conduct at its expense any investigation, study, sampling, testing, abatement, cleanup, removal, remediation, or other response action ("Response Action") necessary to remove, remediate, clean up, or abate any material Release, threatened Release, or disposal of a Hazardous Material as required by any applicable Environmental Law, except to the extent the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries is reasonably contesting any Environmental Law, so long as (a) such contest is in good faith and by appropriate proceedings, (b) adequate reserves are maintained in accordance with Generally Accepted Accounting Practices, (c) such contest could not result in the loss, withdrawal, or termination of any material Governmental Approval, (d) no forfeiture will result from a failure to comply with the contested requirement and (e) such contest could not reasonably be anticipated to have a Material Adverse Effect; and, (x) from time to time upon the reasonable written request of the Mortgagee, timely provide at Mortgagee's expense a report of an environmental assessment of reasonable scope, form and depth, (including, where appropriate, invasive soil or groundwater sampling) by a consultant reasonably acceptable to Mortgagee as to any matter for which notice is provided pursuant to the above requirements or which may reasonably be believed by Mortgagee to form the basis of a material Environmental Claim in connection with the premises. If such a requested environmental report is not delivered within seventy-five

(b) Mortgagee covenants that it shall: (i) maintain the premises in compliance in all material respects with any applicable Environmental Law; (ii) require that each tenant and subtenant, if any, comply in all material respects with any applicable Environmental Law; (iii) obtain and maintain in full force and effect all material Governmental Approvals required by any applicable Environmental Law for operations at the premises; (iv) cure any material violation of applicable Environmental Laws at the premises; (v) not allow the presence or operation at the premises of any (a) landfill or dump or (b) hazardous waste management facility or solid waste disposal facility as defined pursuant to RCRA or any comparable state law; (vi) not manufacture, use, generate, transport, treat, store, release, dispose, or handle any Hazardous Material at the premises except in the ordinary course of its business and in de minimis amounts; (vii) within ten (10) Business Days notify the Mortgagee in writing of and provide any reasonably requested documents upon learning of any of the following which arise in connection with the premises: (a) any material liability for response or corrective action, natural resource damage, or other harm pursuant to CERCLA, RCRA, or any comparable state law; (b) any material Environmental Claim; (c) any material violation of an Environmental Law or material Release, threatened Release, or disposal of a Hazardous Material; (d) any restriction on the ownership, occupancy, use, or transferability arising pursuant to any (i) Release, threatened Release, or disposal of a Hazardous Substance or (ii) Environmental Law; or (e) any environmental, natural resource, health, or safety condition, which could reasonably be anticipated to have a Material Adverse Effect; (viii) conduct at its expense any investigation, study, sampling, testing, abatement, cleanup, removal, remediation, or other response action ("Response Action") necessary to remove, remediate, clean up, or abate any material Release, threatened Release, or disposal of a Hazardous Material as required by any applicable Environmental Law, except to the extent the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries is reasonably contesting any Environmental Law, so long as (a) such contest is in good faith and by appropriate proceedings, (b) adequate reserves are maintained in accordance with Generally Accepted Accounting Practices, (c) such contest could not result in the loss, withdrawal, or termination of any material Governmental Approval, (d) no forfeiture will result from a failure to comply with the contested requirement and (e) such contest could not reasonably be anticipated to have a Material Adverse Effect; and, (ix) from time to time upon the reasonable written request of the Mortgagee, timely provide at Mortgagee's expense a report of an environmental assessment of reasonable scope, form and depth, (including, where appropriate, invasive soil or groundwater sampling) by a consultant reasonably acceptable to Mortgagee as to any matter for which notice is provided pursuant to the above requirements or which may reasonably be believed by Mortgagee to form the basis of a material Environmental Claim in connection with the premises. If such a requested environmental report is not delivered within seventy-five

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(75) days after receipt of Mortgagee's request, the Mortgagee may arrange for access to the premises and the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries hereby grants to the Mortgagee and its representatives access to the premises and a license to undertake such an assessment (including, where appropriate, invasive soil or groundwater sampling). The reasonable cost of any assessment arranged for by the Mortgagee pursuant to this provision will be payable by the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries on demand and added to the obligations secured by this Mortgage.

(c) (i) Without limitation on any other provision hereof, the Mortgagee shall forever indemnify, defend, and hold harmless and hereby waives any claim for contribution against Mortgagee for any Damages to the extent they arise from: (a) any Release, threatened Release, or disposal of any Hazardous Material at the premises by the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries; (b) the operation or violation of any Environmental Law at the premises or by the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries; (c) any Environmental Claim in connection with the premises or Mortgagee, the Beneficiary or any of their affiliates or subsidiaries; (d) the inaccuracy or breach of any representation, warranty, or covenant by the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries contained in this section of this agreement; (ii) the Mortgagee, Beneficiary or any of their affiliates or subsidiaries, and its successors or assigns, shall pay all costs and expenses incurred by the Lender to enforce the provisions of this indemnification and waiver, including, without limitation, attorneys' and paralegals' fees and litigation expenses. This indemnification shall survive the termination of this agreement and shall remain in force beyond (a) the expiration of any applicable statute of limitations and (b) payment or satisfaction in full of any single claim within the scope of this indemnification; (iii) these indemnifications and waivers shall be binding upon successors and assigns of the Mortgagee, the Beneficiary or any of their affiliates or subsidiaries and to the benefit of Mortgagee, its directors, officers, employees and agents, and their successors and assigns.

(d) The representations, warranties, covenants and agreements contained herein and the obligations of the Mortgagee to indemnify Mortgagee with respect to the expenses, damages, losses, costs, and liabilities set forth herein, shall survive: (i) any transfer of all or any portion of the premises or the beneficial interest under any land trust holding legal title thereto; (ii) the foreclosure of any liens on the premises by the Mortgagee or a third party or the conveyance thereof by deed in lieu of foreclosure (and shall not be limited to the amount of any deficiency in any foreclosure sale of premises); (iii) repayment of the Note and all other indebtedness described herein; and (iv) all other indicia of the termination of the relationship between Mortgagee and Mortgagee.

(e) As used herein the following terms shall mean: "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 USC 9601 et seq., and any future amendments; "Damages" shall mean all damages, and includes, without limitation, punitive damages, liabilities, costs, losses, diminutions in value, fines, penalties, demands, claims, cost recovery actions, lawsuits, administrative proceedings, orders, response action costs, compliance costs, investigation expenses, consultant fees, attorneys' and paralegals' fees, and litigation expenses; "Environmental Assessment" shall mean the inspection and report as to environmental matters pertaining to the premises or other real properties; "Environmental Claim" shall mean any investigation, notice, violation, demand, abatement, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding, or claim (whether administrative, judicial, or private in nature) arising (a) pursuant to, or in connection with, an actual or alleged violation, any Environmental Law, (b) in connection with any Hazardous Material or actual or alleged Hazardous Material Activity, (c) from any abatement, removal, remedial, corrective, or other response action in connection with (i) a Hazardous Material, Environmental Law or other order of a Governmental Authority or (d) from any actual or alleged damage, injury, threat, or harm to health, safety, natural resources, or the environment; "Environmental Law" shall mean any current or future Legal Requirement pertaining to (a) the protection of health, safety, and the indoor or outdoor environment, (b) the conservation, management, or use of natural resources and wildlife, (c) the protection or use of surface water and groundwater, (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Material or (e) pollution (including any Release to air, land, surface water, and groundwater), and includes, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 USC 9601 et seq., Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 USC 6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC 1251 et seq., Clean Air Act of 1990, as amended, 42 USC 7401 et seq., Toxic Substances Control Act of 1976, 15 USC 2601 et seq., Hazardous Materials Transportation Act, 49 USC App. 1801 et seq., Occupational Safety and Health Act of 1970, as amended, 29 USC 651 et seq., Oil Pollution Act of 1990, 33 USC 2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 USC 11001 et seq., National Environmental Policy Act of 1969, 42 USC 4321 et seq., Safe Drinking Water Act of 1974, as amended, 42 USC 300(f) et seq., any similar, implementing or successor law, and any amendment, rule, regulation, order, or directive issued thereunder; "Environmental Record" shall mean any document, correspondence, pleading, report, assessment, analytical result, Governmental Approval, or other record concerning a Hazardous Material, compliance with an Environmental Law, an Environmental Claim, or other environmental subject; "Governmental Approval" shall mean any permit, license, variance, certificate, consent, letter, clearance, closure, exemption, decision, or action or approval of a Governmental Authority; "Governmental Authority" shall mean any international, foreign, federal, state, regional, county, or local person or body having governmental or quasi-governmental authority or sub-division thereof; "Hazardous Material" shall mean any substance, chemical, compound, product, solid, gas, liquid, waste, byproduct, pollutant, contaminant, or material which is hazardous or toxic, and includes, without limitation, (a) asbestos, polychlorinated biphenyls, and petroleum (including crude oil or any fraction thereof) and (b) any such material classified or regulated as "hazardous" or "toxic" pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 USC 9601 et seq., Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 USC 6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC 1251 et seq., Clean Air Act of 1990, as amended, 42 USC 7401 et seq., Toxic Substances Control Act of 1976, 15 USC 2601 et seq., or Hazardous Materials Transportation Act, 49 USC App. 1801 et seq.; "Hazardous Material Activity" shall mean any activity, event, or occurrence involving a Hazardous Material, including, without limitation, the manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation, handling of or corrective or response action of any Hazardous Material; "Legal Requirement" shall mean any treaty, convention, statute, law, regulation, ordinance, Governmental Approval, injunction, judgment, order, consent decree, or other requirement of a Governmental Authority; "Material Adverse Effect" shall mean any changes or effects that individually or in the aggregate are or are reasonably likely to be materially adverse to (a) the assets, business, operations, income, or condition (financial or otherwise) of the Mortgagee, (b) transactions contemplated by this agreement, or (c) the ability of the Mortgagee to perform their respective obligations under this agreement or (d) the condition or fair market value of the premises; "RCRA" shall mean the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 USC 6901 et seq., and any future amendments; and "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the indoor or outdoor environment, including, without limitation, the abandonment or discarding of barrels, drums, containers, tanks, and other receptacles containing or previously containing any Hazardous Material.

18. **WARRANT AND DEFENSE OF TITLE:** At the time of the execution and delivery of this instrument Mortgagee is truly seized of the premises in fee simple, free of all liens and encumbrances whatsoever, and will forever warrant and defend the same against any and all claims whatever, and the lien created hereby is and will be kept a first lien upon said premises and every part thereof. Mortgagee shall pay when due all water charges, sewer service charges and all other amounts which might become a lien upon the premises prior to this Mortgage and shall, upon written request, furnish to Mortgagee duplicate receipts therefor.

## 19. DEFAULT:

(a) Upon the failure by Mortgagee or the Note Maker to pay the indebtedness evidenced by the Note or otherwise secured hereby, with interest thereon, and all renewals, extensions and modifications thereof, and all other sums, with interest, advanced in accordance herewith to protect the security of this Mortgage, or to perform or observe any other term, covenant, or condition in this Mortgage, specifically, and not exclusively Section 20 herein, or the Note or in any instrument now or hereafter evidencing or securing said indebtedness, or if the Mortgagee or in the event the Mortgagee is a land trust, any beneficiary of mortgagee shall file a petition in voluntary bankruptcy or under the Federal Bankruptcy Code or any similar law, state or federal, whether now or hereafter existing, or if Mortgagee or any of its beneficiaries shall file an answer admitting insolvency or inability to pay its debts, or fail to obtain a vacation or stay of involuntary proceedings within sixty (60) days from the institution thereof, or if the Mortgagee or any of its beneficiaries shall have an order for relief entered against it in a bankruptcy or similar proceeding, or a trustee or a receiver shall be appointed for the Mortgagee or any of its beneficiaries shall have an order for relief entered against it in a bankruptcy or similar proceeding, or a trustee or a receiver shall be appointed for the Mortgagee or any of its beneficiaries for all or any portion of the premises

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or for all of its property or the major part thereof in any involuntary proceedings, or any court shall have taken jurisdiction of all or any portion of the premises or all of the property of the Mortgagor or any of its beneficiaries or the major part thereof in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of the Mortgagor or any of its beneficiaries, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within sixty (60) days, or the Mortgagor or any of its beneficiaries shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due or shall consent to the appointment of a receiver or trustee or liquidator of all or any portion of the premises or of all of its property or the major part thereof, then, upon the occurrence of any of said events, the Mortgagor shall be in default. Mortgagee shall provide Mortgagor written notice of any default. Unless a greater period is specifically provided, Mortgagor shall have ten (10) days from the date of the notice to cure the default. In the event the default is not cured, the entire indebtedness secured hereby shall, at the option of the Mortgagee, without further notice to Mortgagor, become immediately due and payable, and, thereupon, or at any time during the existence of any such default, the Mortgagee may proceed to foreclose this Mortgage by judicial proceedings according to the statutes in such case provided, and any failure to exercise said option shall not constitute a waiver of the right to exercise the same at any other time. Mortgagee shall additionally have the right to file an action at law on the Note and any other remedy provided by law, which remedies shall be concurrent and may be pursued simultaneously.

(b) In any case in which, under the provisions of this Mortgage, the Mortgagee has a right to institute foreclosure proceedings, whether or not the entire principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the premises, or any part thereof, personally or by its agent or attorneys, as for condition broken and Mortgagee in its discretion may enter upon and take and maintain possession of all or any part of said premises, together with all documents, books, records, papers, and accounts of the Mortgagor or the then owner of the premises relating thereto, and may exclude the Mortgagor, its agents, or servants, wholly therefrom and may, as attorney in fact or agent of the Mortgagor, or in its own name as Mortgagee and under the powers herein granted: (i) hold, operate, manage, and control the premises, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avals, rents, issues, and profits of the premises including actions for recovery of rent, actions in forcible detainer and actions in distress or rent, hereby granting full power and authority to exercise each and every of the rights, privileges, and powers herein granted at any and all times hereafter, without notice to the Mortgagor; (ii) cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (iii) elect or disaffirm any lease or sublease made subsequent to this Mortgage or subordinated to the lien hereof; (iv) extend or modify any then existing leases and make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to leases to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such lease, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the premises are subject to the lien hereof and to be binding also upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser; (v) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements to the premises as to Mortgagee may seem judicious; to insure and reinsure the premises against all risks incidental to Mortgagee's possession, operation, and management thereof and to receive all avals, rents, issues, and profits. In the event of a conflict between the provisions of this paragraph and any separate assignment of rents taken in connection therewith, the provisions of the separate assignment shall govern.

(c) Any avals, rents, issues and profits of the premises received by the Mortgagee after having possession of the premises, or pursuant to any assignment thereof to the Mortgagee under the provisions of this Mortgage or of any separate Assignment of Rents or Assignment of Leases, shall be applied in payment of or on account of the following, in such order as the Mortgagee (or in case of a receivership, as the court) may determine:

(i) to the payment of the operating expenses of the premises, including reasonable compensation to the Mortgagee or the receiver and its agent or agents, if management of the premises has been delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases, established claims for damages, if any, and premiums on insurance hereinabove authorized;

(ii) to the payment of taxes, special assessments, and water taxes now due or which may hereafter become due on the premises, or which may become a lien prior to the lien of this Mortgage;

(iii) to the payment of all reasonable repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of said premises, to place said property in such condition as will, in the reasonable judgment of Mortgagee or receiver, make it readily rentable;

(iv) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale; and

(v) any overplus or remaining funds to the Mortgagor, its successors, or assigns, as their rights may appear.

**20. TRANSFER OF PREMISES:** If all or any part of the premises or, in the event the premises is held in a land trust, the beneficial interest of the trust holding title thereto is sold, transferred, conveyed, assigned or alienated (which shall include the execution of any form of installment agreements for deed or beneficial interest), by Mortgagor or the beneficiaries without the Mortgagee's prior written consent, Mortgagee may, at Mortgagee's option, declare all the sums secured by this Mortgage to be immediately due and payable.

**21. NOTICE:** All notices, demands and requests required or permitted to be given to Mortgagee hereunder shall be in writing and shall be deemed to be given or made when served personally or two days after deposit in the United States mail with full postage prepaid, by certified or registered mail, return receipt requested, addressed as follows:

Bank of Northern Illinois, N.A.  
Commercial Loan Department  
1313 Delany Road  
Gurnee, IL 60031

or to such other address as the Mortgagee may have furnished in writing to the Mortgagor as the place for the service of notice.

All notices to Mortgagor shall be deemed given when personally served or when deposited in the United States mail with postage fully prepaid, to the address of the premises or to Mortgagor's last known address, in the Mortgagee's discretion, or to such other address as the Mortgagor may have furnished in writing to the Mortgagee as a place for the service of notice.

**22. REMEDIES CUMULATIVE:** Each and every of the rights, remedies and benefits provided to Mortgagee herein shall be cumulative and shall not be exclusive of any other of said rights, remedies or benefits, or of any other right, remedies, or benefits allowed by law. Any waiver by Mortgagee of any default shall not constitute a waiver of any similar or other default.

**23. INCORPORATION OF UNIFORM COMMERCIAL CODE:** To the extent that this instrument may operate as a security agreement under the Uniform Commercial Code, Mortgagee shall have all rights and remedies conferred therein upon a secured party (as said term defined in the Uniform Commercial Code).

**24. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CAPTIONS:** All of the covenants and conditions hereof shall run with the land and shall be binding upon and inure to the benefit of the successors and assigns of Mortgagor and Mortgagee, respectively, and all persons claiming through or under them. Any reference herein to Mortgagee shall include the successors and assigns of Mortgagee. All covenants and agreements of Mortgagor shall be joint and several. The captions and headings of the paragraphs of this mortgage are for

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convenience only and are not to be used to interpret or define the provisions hereof.

25. GENDER AND NUMBER: All nouns, pronouns and relative terms relating to Mortgagor shall be deemed to be masculine, feminine, or neuter, singular or plural as the context may indicate.

IN WITNESS WHEREOF, Fred Yurk and Judith Yurk has/have caused this Mortgage and Security Agreement to be signed as of September 1, 1997.

Fred Yurk  
Fred Yurk, individually

STATE OF ILLINOIS )  
COUNTY OF COOK ) SS.

I, KATHLEEN JANESSA a Notary Public in and for said County, in the State aforesaid, do hereby certify that Fred Yurk, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his/her free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 22 day of SEPTEMBER, 1997

Kathleen Janessa  
NOTARY PUBLIC



Judith Yurk  
Judith Yurk, individually

STATE OF ILLINOIS )  
COUNTY OF COOK ) SS.

I, KATHLEEN JANESSA a Notary Public in and for said County, in the State aforesaid, do hereby certify that Judith Yurk, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed, sealed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 22 day of SEPTEMBER, 1997

Kathleen Janessa  
NOTARY PUBLIC



COMMISSION EXPIRES:  
THIS INSTRUMENT PREPARED BY  
AND AFTER RECORDING MAIL TO:

BANK OF NORTHERN ILLINOIS, NA  
COMMERCIAL LOAN DEPARTMENT  
1313 DELANY ROAD  
GURNEE, ILLINOIS 60031

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EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

LOT 13 IN SCHMIDT'S SUBDIVISION OF THAT PART OF LOT 2 IN HARR'S SUBDIVISION OF THE SOUTH 107 ACRES LYING WEST OF HARR ROAD AND EAST OF THE RIGHT OF WAY OF THE PUBLIC SERVICE CO. IN SECTION 19, TOWNSHIP 42 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PTN: 05-19-321-001

PROPERTY ADD: 1749 Harding Road  
Winfield, Ill.

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