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RECORDATION REQUESTED BY:

**PALMER AMERICAN NATIONAL BANK
2 W. MAIN
DANVILLE, IL 61832**

WHEN RECORDED MAIL TO:

**PALMER AMERICAN NATIONAL BANK
2 W. MAIN
DANVILLE, IL 61832**

DEPT-01 RECORDING 836.50
T#0013 TRAN 5769 08/05/98 12:13:00
#3586 TR #-98-685432
COOK COUNTY RECORDER

SEND TAX NOTICES TO:

**Morton W. Johnson
1725 Jenks
Evanston, IL 60201**

FOR RECORDER'S USE ONLY

**This Mortgage prepared by: PALMER AMERICAN NATIONAL BANK
2 WEST MAIN STREET
DANVILLE, IL 61832**

MORTGAGE

THIS MORTGAGE IS DATED MARCH 16, 1998, between Morton W. Johnson, whose address is 1725 Jenks, Evanston, IL 60201 (referred to below as "Grantor"); and PALMER AMERICAN NATIONAL BANK, whose address is 2 W. MAIN, DANVILLE, IL 61832 (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 Nine (9) in Block Twenty Eight (28) in C. L. Jenk's Re-Subdivision of Block Twenty Seven (27), Twenty Eight (28), Thirty Two (32), Thirty Three (33) and Thirty Seven (37) in North Evanston Town 42 North, Range 13 East of the Third Principal Meridian

PIN # 05-34-415-014

The Real Property or its address is commonly known as 1725 Jenks, Evanston, IL 60201.

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.

Borrower. The word "Borrower" means each and every person or entity signing the Note, including without limitation CHANDLERS, INC.

Grantor. The word "Grantor" means any and all persons and entities executing this Mortgage, including without limitation all Grantors named above. The Grantor is the mortgagor under this Mortgage. Any Grantor

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Subdivision

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who signs this mortgage, but does not sign the Note, is signing this mortgage only to grant and convey that Grantor's interest in the Real Property and to grant a security interest in Grantor's interest in the Real Property and Personal Property to Lender and is not personally liable under the Note except as otherwise provided by contract or law.
Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the indebtedness.
Improvements. The word "Improvements" means and includes without limitation all existing and future improvements, buildings, structures, mobile homes situated on the Real Property, fixtures, 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 or protect its interests in the mortgage, together with interest on such amounts as provided in this mortgage, and to the extent that the principal amount of indebtedness secured by the mortgage, not including sums advanced to protect the security of the mortgage, exceeds the note amount of \$196,263.12.
Lender. The word "Lender" means PALMER AMERICAN NATIONAL BANK, its successors and assigns. The Lender to the mortgage under this mortgage.
Mortgage. The word "Mortgage" means this mortgage between Grantor and Lender, and includes without limitation all assignments and security interests relating to the Real Property and Personal Property.
Note. The word "Note" means the promissory note or credit agreement dated March 18, 1958, in the original principal amount of \$196,263.12 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 8.50%.
Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter acquired or added to the Real Property, together with all accessories, parts, and additions, all replacements of, and all substitutions for, and funds or premiums from any sale or other disposition of Personal Property.
Real Property. The word "Real Property" means collectively the Real Property and the Personal Property.
Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.
Rent. The word "Rent" means all present and future rents, revenues, income, profits, royalties, and other benefits derived from the Property.
THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE REAL AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INTEREST 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:
GRANTOR'S WARRANTIES. Grantor warrants (a) that the mortgage is given and accepted by Grantor, and that the mortgage and not in the interest of Lender; (b) Grantor has the full power, right, and authority to enter into this mortgage and to hypothecate the Property; (c) the interests of the mortgage do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of paying to Lender on a continuing basis information about Grantor's financial condition and (e) Lender has made no representation to Grantor about Grantor's financial condition (including without limitation the creditworthiness of Grantor).
PAYMENT AND PERFORMANCE. Except as otherwise provided in this mortgage, Grantor shall pay to Lender (1) the indebtedness secured by this mortgage as it becomes due, and Grantor shall strictly perform all other obligations under this mortgage.

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

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

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

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Mortgage, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Lender that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under, 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 person 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 the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the properties. 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 from 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

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...of the Property, covered by this Mortgage in any event, and in case of the ... of the Mortgage, or at any time, the sale of such Property.

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PROPERTY DAMAGE INSURANCE. The following (7) items relating to insuring the Property are a part of this

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Grantor's Report 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 risks insured; (c) the amount of the policy; (d) the property insured, the then current replacement value of such 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 replacement cost of the Property.

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

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

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in 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 steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments as may be requested by it from time to time to permit such participation.

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

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

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.

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

Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property contains 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 Property and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without order authorization from Grantor, the executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in recording or continuing this security interest. Upon default, Grantor shall assign to the Personal Property in a manner and at a price reasonably convenient to Grantor and Lender and make a transfer of the Property within 15 days after receipt of written demand from Lender.

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

FURTHER AS-AN-FACT; ATTORNEY-IN-FACT. The following provisions relating to further issuances and attorney-in-fact of a part of this Mortgage.

Further As-As-As. 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, indexed, or re-recorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security assignments, financing statements, continuation statements, instruments of transfer, assignments, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to execute, continue, perfect, conserve or preserve (a) the obligations of Grantor and Lender under this Mortgage, (b) the fees and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor, unless provided by law or agreement by Lender in writing. Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

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

FULL PERFORMANCE. If Borrower pays all the obligations when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of satisfaction on the satisfaction of the Lender's security interest in the Property and the Personal Property. Grantor will pay, if demanded by recording this Mortgage, whether voluntarily or otherwise, or by grantor or by any third party, on the understanding and without Lender being forced to remit the amount of that payment (a) to Grantor's assignee in bankruptcy or to any other person under any federal or state bankruptcy law or law of insolvency, (b) by reason of a judgment, decree or order of any court or administrative body having jurisdiction over Lender or any of Lender's property, or (c) by reason of any settlement or compromise of any claim made by Lender with any claimant (including without limitation Grantor), the indebtedness shall be considered as paid for the purpose of enforcement of this Mortgage and this Mortgage shall continue to be enforceable as if the assignment or assignment of the Property had been made by Lender. In the event of a default, or if the mortgage or other instrument or agreement may be, notwithstanding any continuation of this Mortgage or of any note or of any instrument or agreement evidencing the indebtedness and the Property will continue to secure the amount (a) or (b) or referred to the same extent as if that amount never had been originally received by Lender, and Grantor shall be bound by any judgment, decree, order, settlement or compromise relating to the indebtedness or to this Mortgage.

DEFAULT. Each of the following, at the option of Lender, shall constitute an event of default (Event of Default) under this Mortgage:

Default on Installments. Failure of Grantor to make any payment when due on the installments.

Default on Other Payments. Failure of Grantor when the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent being or to effect discharge of any lien.

Compliance Default. Failure of Grantor or Borrower to comply with any other term, obligation, covenant or condition contained in this Mortgage, the Note or in any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor or Borrower 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.

Defective Collateral. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Grantor or Borrower's existence as a going business, the insolvency of Grantor or Borrower, the appointment of a receiver for any part of Grantor or Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of

any proceeding under any bankruptcy or insolvency laws by or against Grantor or Borrower.

Foreclosure, Forfeiture, etc. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, 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 event of a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the foreclosure or forfeiture proceeding, 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 or Borrower under the terms of any other agreement between Grantor or Borrower and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor or Borrower to Lender, whether existing now or later.

Events Affecting Guarantor. 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 Borrower'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 failure is curable and if Grantor or Borrower 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 or Borrower, 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 Borrower to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Borrower 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 or Borrower, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

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

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

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

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

Sale of the Property. To the extent permitted by applicable law, Grantor or Borrower hereby waive 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

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Time is of the essence. Time is of the essence in the performance of this mortgage. Water of Foreclosed Eminent. Grant hereby releases and waives all rights and benefits of the mortgaged exemption laws of the State of Illinois as to all indebtedness secured by this mortgage. Notwithstanding any of the provisions to the contrary contained in this mortgage, Grant hereby waives, to the extent permitted under 735 ILCS 5/15-1101, as now enacted or as hereinafter amended or hereinafter amended, any and all rights of similar law existing now or after the date of this mortgage, any and all rights of redemption on behalf of Grant and on behalf of any other persons permitted to redeem the property.

Successors and assigns. Subject to the limitations stated in this mortgage on behalf of Grant's interest, this mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If any person or persons claiming an interest in the property shall be entitled to any portion of the proceeds of this mortgage to be made or advanced as to any person or persons, such finding shall not constitute a defense to the mortgage to be made or advanced as to any person or persons, it being the intent of the parties that the mortgage shall be made or advanced as to any person or persons and all other provisions of this mortgage insofar as they may conflict with the foregoing shall be void and unenforceable.

Severability. If a court of competent jurisdiction finds any provision of this mortgage to be invalid or unenforceable as to any person or persons, such finding shall not constitute a defense to the mortgage to be made or advanced as to any person or persons, it being the intent of the parties that the mortgage shall be made or advanced as to any person or persons and all other provisions of this mortgage insofar as they may conflict with the foregoing shall be void and unenforceable.

Waiver. 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 or any other party, without the written consent of Lender. 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.

Applicable Law. This mortgage shall be governed by and construed in accordance with the laws of the State of Illinois. This mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

Annual Reports. If the Property is used for purposes other than Grant's residence, Grant shall furnish to Lender, upon request, a certified statement of the operating income received from the Property during Grant's previous fiscal year in such form and detail as Lender shall require. Lender shall have the right to inspect all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Agreement of the parties as to the nature of the mortgage. No alteration or amendment to this mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Miscellaneous Provisions. The following miscellaneous provisions are a part of this mortgage: The mortgage, together with any related documents, constitutes the entire understanding and agreement of the parties as to the nature of the mortgage. No alteration or amendment to this mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Notices to Grant and Other Parties. Any notice under this mortgage, including without limitation any notice of default or any notice of sale to Grant, shall be in writing, may be sent by electronic means (including email, text message, or other electronic means) or by first class mail, postage prepaid, directed to the address shown near the beginning of this mortgage. Any party may change the address for notices under this mortgage by giving written notice to the other party, specifying the purpose of the notice is to change the party's address. All copies of notices or documents from the Lender or other party which has priority over this mortgage shall be sent to Lender's address as shown near the beginning of this mortgage. For notice purposes, Grant agrees to keep Lender informed of all changes to Grant's current address.

Attorney's Fees. Lender assumes 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 award as attorney's fees and costs in 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 award as attorney's fees and costs in any suit or action to enforce any of the terms of this mortgage.

Waiver of or prejudice to the party's rights otherwise to demand and enforce with this mortgage or any other provision. Election by Lender to pursue any remedy shall not constitute a waiver of or prejudice to the party's rights otherwise to demand and enforce with this mortgage or any other provision. Election by Lender to pursue any remedy shall not constitute a waiver of or prejudice to the party's rights otherwise to demand and enforce with this mortgage or any other provision.

Under this mortgage the failure of Grant or Borrower to perform shall not affect Lender's right to demand a default and exercise its remedies under this mortgage.

2003022

Loan No

(Continued)

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

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

GRANTOR:

X [Signature]
Morton W. Johnson

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Illinois

) 88

COUNTY OF Willard

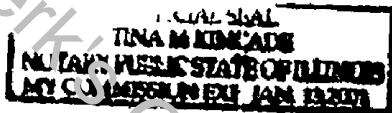
On this day before me, the undersigned Notary Public, personally appeared Morton W. Johnson, to me known to be the individual described in and who executed the Mortgage, and acknowledged that he or she signed the Mortgage as his or her free and voluntary act and deed, for the uses and purposes therein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

Given under my hand and official seal this _____ day of _____, 19____.

By [Signature] Residing at [Address]

Notary Public in and for the State of Illinois

My commission expires [Date]



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