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MORTGAGE (Participation)

This mortgage made and entered into this 20th day of April, 1998 by and between Stanford Bailey and Sarah Qualls-Bailey, having an address at 1529 W. Harrison, Chicago, Illinois (hereinafter referred to as mortgagor) and BUSINESS LOAN CENTER, INC. (hereinafter referred to as mortgagee), who maintains an office and place of business at 645 Madison Avenue, 18th Floor, New York, New York 10022

WITNESSETH, that for the consideration hereinafter stated, receipt of which is hereby acknowledged, the mortgagor does hereby mortgage, sell, grant, assign, and convey unto the mortgagee, his successors and assigns, all of the following described property situated and being in County of Cook, State of Illinois, as more particularly described on Schedule "A" attached hereto and made a part hereof.

Together with and including all buildings, all fixtures including but not limited to all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning apparatus, and elevators (the mortgagor hereby declaring that it is intended that the items herein enumerated shall be deemed to have been permanently installed as part of the realty), and all improvements now or hereafter existing thereon, the hereditament and appurtenances and all other rights thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, all rights of redemption, and the rents, issues, and profits of the above described property (provided, however, that the mortgagor shall be entitled to the possession of said property and to collect and retain the rents, issues, and profits until default hereunder). To have and to hold the same unto the mortgagee and the successors in interest of the mortgagee forever in fee simple or such other estate, if any, as is stated herein.

The mortgagor covenants that he is lawfully seized and possessed of and has the right to sell and convey said property; that the same is free from all encumbrances except as hereinabove recited; and that he hereby binds himself and his successors in interest to warrant and defend the title aforesaid thereto and every part thereof against the claims of all persons whomsoever.

This instrument is given to secure the mortgagor's Guaranty of the payment of a promissory note dated April 20, 1998 in the principal sum of \$1,000,000.00 signed by Stanford Bailey, President and Secretary of Grandstand Enterprises, Ltd., the corporate general of Grandstand Auto Bath, L.P. (the "Note").

Said promissory note was given to secure a loan in which the Small Business Administration, an agency of the United States Government, has participated. In compliance with section 101.1(d) of the Rules and Regulations of the Small Business Administration [13 C.F.R. 101.1(d)], this instrument is to be construed and enforced in accordance with applicable Federal law.

1. The mortgagor covenants and agrees as follows:

a. He will promptly pay the indebtedness evidenced by said promissory note at the times and in the manner therein provided.

b. He will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, for which provision has not been made hereinbefore, and will promptly deliver the official receipts therefor to the said mortgagee.

c. He will pay such expenses and fees as may be incurred in the protection and maintenance of said property, including the fees of any attorney employed by the mortgagee for the collection of any or all of the indebtedness hereby secured, or foreclosure by mortgagee's sale, or court proceedings, or in any other litigation or proceeding affecting said property. Attorneys' fees reasonably incurred in any other way shall be paid by the mortgagor.

d. For better security of the indebtedness hereby secured, upon the request of the mortgagee, its successors or assigns, he shall execute and deliver a supplemental mortgage or mortgages covering any additions, improvements, or betterments made to the property hereinabove described and all property acquired by it after the date hereof (all in form satisfactory to mortgagee). Furthermore, should mortgagor fail to cure any default in the payment of a prior or inferior encumbrance on the property described by this instrument, mortgagor hereby agrees to permit mortgagee to cure such default, but mortgagee is not obligated to do so; and such advances shall become part of the indebtedness secured by this instrument, subject to the same terms and conditions.

e. The rights created by this conveyance shall remain in full force and effect during any postponement or extension of the time of the payment of the indebtedness evidenced by said promissory note or any part thereof secured hereby.

f. He will continuously maintain hazard insurance, of such type or types and in such amounts as the mortgagee may from time to time require on the improvements now or hereafter on said property, and will pay promptly when due any premiums thereof. All insurance shall be carried in companies acceptable to mortgagee and the policies and renewals thereof shall be held by mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the mortgagee. In event of loss, mortgagor will give immediate notice in writing to mortgagee, and mortgagee may make proof of loss if not made promptly by mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to mortgagee instead of to mortgagor and mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged or destroyed. In the event of foreclosure of this mortgage, or other transfer of title to said property in extinguishment of the indebtedness secured hereby, all right, title, and interest of the mortgagor in and to any insurance policies then in force shall pass to the purchaser or mortgagee or, at the option of the mortgagee, may be surrendered for a refund.

g. He will keep all buildings and other improvements on said property in good repair and condition; will permit, commit, or suffer no waste, impairment, deterioration of said property or any part thereof; in the event of failure of the mortgagor to keep the buildings on said premises and those erected on said premises, or improvements thereon, in good repair, the mortgagee may make such repairs as in its discretion it may deem necessary for the proper preservation thereof; and the full amount of each and every such payment shall be immediately due and payable; and shall be secured by the lien of this mortgage.

h. He will not voluntarily create or permit to be created against the property subject to this mortgage any lien or liens inferior or superior to the lien of this mortgage without the written consent of the mortgagee; and further, that he will keep and maintain the same free from the claim of all persons supplying labor or materials for construction of any and all buildings or improvements now being erected or to be erected on said premises.

i. He will not rent or assign any part of the rent of said mortgaged property or demolish, or remove, or substantially alter any building without the written consent of the mortgagee.

j. All awards of damages in connection with any condemnation for public use of or injury to any of the property subject to this mortgage are hereby assigned and shall be paid to mortgagee, who may apply the same to payment of the installments last due under said note, and mortgagee is hereby authorized, in the name of the mortgagor, to execute and deliver valid acquittances thereof and to appeal from any such award.

k. The mortgagee shall have the right to inspect the mortgaged premises at any reasonable time.

2. Default in any of the covenants or conditions of this instrument or of the note or loan agreement secured hereby shall terminate the mortgagor's right to possession, use, and enjoyment of the property, at the option of the mortgagee or his assigns (it being agreed that the mortgagor shall have such right until default). Upon any such default, the mortgagee shall become the owner of all of the rents and profits accruing after default as security for the indebtedness secured hereby, with the right to enter upon said property for the purpose of collecting such rents and profits. This instrument shall operate as an assignment of any rentals on said property to that extent.

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3. The mortgagor covenants and agrees that if he shall fail to pay said indebtedness or any part thereof when due, or shall fail to perform any covenant or agreement of this instrument or the promissory note secured hereby, the entire indebtedness hereby secured shall immediately become due, payable, and collectible without notice, at the option of the mortgagee or assigns, regardless of maturity, and the mortgagee or his assigns may before or after entry sell said property without appraisal (the mortgagor having waived and assigned to the mortgagee all rights of appraisal):

(I) at judicial sale pursuant to the provisions of 28 U.S.C. 2001(a); or

(II) at the option of the mortgagee, either by auction or by solicitation of sealed bids for the highest and best bid complying with the terms of sale and manner of payment specified in the published notice of sale, first giving four weeks' notice of the time, terms, and place of such sale, by advertisement not less than once during each of said four weeks in a newspaper published or distributed in the county in which said property is situated, all other notice being hereby waived by the mortgagor (and said mortgagee, or any person on behalf of said mortgagee, may bid with the unpaid indebtedness evidenced by said note). Said sale shall be held at or on the property to be sold or at the Federal, county, or city courthouse for the county in which the property is located. The mortgagee is hereby authorized to execute for and on behalf of the mortgagor and to deliver to the purchaser at such sale a sufficient conveyance of said property, which conveyance shall contain recitals as to the happening of the default upon which the execution of the power of sale herein granted depends; and the said mortgagor hereby constitutes and appoints the mortgagee or any agent or attorney of the mortgagee, the agent and attorney in fact of said mortgagor to make such recitals and to execute said conveyance and hereby covenants and agrees that the recitals so made shall be effectual to bar all equity or right of redemption, homestead, dower, and all other exemptions of the mortgagor, all of which are hereby expressly waived and conveyed to the mortgagee; or

(III) take any other appropriate action pursuant to state or Federal statute either in state or Federal court or otherwise for the disposition of the property.

In the event of a sale as hereinbefore provided, the mortgagor or any persons in possession under the mortgagor shall then become and be tenants holding over and shall forthwith deliver possession to the purchaser at such sale or be summarily dispossessed, in accordance with the provisions of law applicable to tenants holding over. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise, and are granted as cumulative to the remedies for collection of said indebtedness provided by law.

4. The proceeds of any sale of said property in accordance with the preceding paragraphs shall be applied first to pay the costs and expenses of said sale, the expenses incurred by the mortgagee for the purpose of protecting or maintaining said property, and reasonable attorneys' fees; secondly, to pay the indebtedness secured hereby; and thirdly, to pay any surplus or excess to the person or persons legally entitled thereto.

5. In the event said property is sold at a judicial foreclosure sale or pursuant to the power of sale hereinabove granted, and the proceeds are not sufficient to pay the total indebtedness secured by this instrument and evidenced by said promissory note, the mortgagee will be entitled to a deficiency judgment for the amount of the deficiency without regard to appraisal.

6. In the event the mortgagor fails to pay any Federal, state, or local tax assessment, income tax or other tax lien, charge, fee, or other expense charged against the property the mortgagee is hereby authorized at his option to pay the same. Any sums so paid by the mortgagee shall be added to and become a part of the principal amount of the indebtedness evidenced by said note, subject to the same terms and conditions. If the mortgagor shall pay and discharge the indebtedness evidenced by said promissory note, and shall pay such sums and shall discharge all taxes and liens and the costs, fees, and expenses of making, enforcing, and executing his mortgage, then this mortgage shall be canceled and surrendered.

7. The covenants herein contained shall bind and the benefits and advantages shall inure to the respective successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

8. No waiver of any covenant herein or of the obligation secured hereby shall at any time thereafter be held to be a waiver of the terms hereof or of the note secured hereby.

9. A judicial decree, order, or judgment holding any provision or portion of this instrument invalid or unenforceable shall not in any way impair or preclude the enforcement of the remaining provisions or portions of this instrument.

10. Any written notice to be issued to the mortgagor pursuant to the provisions of this instrument shall be addressed to the mortgagor at 1529 W. Harrison, Chicago, Illinois and any written notice to be issued to the mortgagee shall be addressed to the mortgagee at 645 Madison Avenue, 18th Floor, New York, New York 10022.

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IN WITNESS WHEREOF, the mortgagor has executed this instrument and the mortgagee has accepted delivery of this instrument as of the day and year aforesaid.

~~Stanford Bailey
and Sarah Q. Bailey
to be used to process all dated 4-15-98~~
Sarah Qualls-Bailey

Executed and delivered in the presence
of the following witnesses:

STATE OF ILLINOIS)

SS.

COUNTY OF

By: Steve Forch, Attorney-in-Fact

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Rider*

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that Stanford Bailey and Sarah Q. Bailey, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered said instrument as their free and voluntary act for the purposes therein set forth.

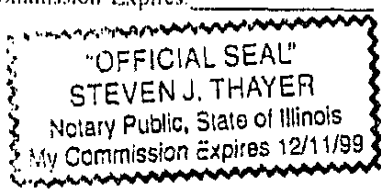
Given under my hand and notarial seal this 20th day of April, 1998.

[Signature]
Notary Public

Steven J. Thayer
(TYPE OR PRINT NAME)

(SEAL)

My commission Expires:



PREPARED BY
RECORD AND RETURN TO:
Joni L. Walaski, Esq.
645 Madison Avenue
18th Floor
New York, New York 10022

RIDER
to
REAL ESTATE MORTGAGE DATED APRIL 20, 1998
from
STANFORD BAILEY AND SARAH QUALLS-BAILEY
to
BUSINESS LOAN CENTER, INC.

11. It is agreed by the parties hereto that if the Mortgaged Premises are sold or transferred voluntarily, involuntarily, or by operation of law without the prior written consent of the Mortgagee, the Mortgagee may at its option, declare the entire unpaid principal and interest immediately due and payable. Acceptance by the Mortgagee of any payments after any sale or transfer shall not constitute a waiver of the provisions of this paragraph and the provisions hereof shall apply to each such sale or transfer.

12. The Mortgagee reserves the right to require the establishment of a tax escrow account, if any real estate taxes, assessments or other charges become delinquent. The Mortgagee shall have the right to demand monthly deposits in the amount equal to one-twelfth (1/12th) of the annual real estate taxes, assessments and other charges, and the failure to pay such additional indebtedness hereunder shall be a default under this Mortgage.

13. This Mortgage shall constitute a second lien on the real property, fixtures (and hazard insurance related to the same), proceeds of title insurance and condemnation awards related to the Mortgaged Premises. This mortgage is subject and subordinate to that certain mortgage granted by mortgagor in favor of Citibank FSB, dated November 7, 1994 in the original principal amount of \$287,000.00, which mortgage was recorded on November 18, 1994 as Document 94980488.

14. Upon the Mortgagor's default in any of the covenants or conditions of this instrument or of the Note or the Authorization, or any action, suit or proceeding brought to foreclose this Mortgage, the Mortgagee shall be entitled without notice to the Mortgagor and without regard to the solvency of the Mortgagor, to have a receiver of rents and profits of the Mortgaged Premises appointed with all the rights and power permitted under the laws of the State of Illinois. In the event that such a receiver is appointed hereunder, such receiver shall have and may enforce all the rights and remedies of the mortgagee under paragraph (2) hereof to the maximum extent permitted by law.

15. Mortgagor represents and covenants that (i) the Mortgaged Premises complies and will comply in all respects with all environmental laws and regulations, (ii) that no pollutants, contaminants solid wastes, or toxic or hazardous substances have been in the past or will be discharged, released, stored, treated, generated, disposed of, or allowed to escape or exist on the Mortgaged Premises, (iii) that no asbestos has

been or will be incorporated into or disposed of on the Mortgaged Premises, (iv) that no underground storage tanks are, will be, or have been located on the Mortgaged Premises, and (v) that no investigation, order, agreement, notice, demand, or settlement with respect to any of the above is threatened, anticipated, in existence, or will be in existence. Mortgagor upon receiving any information or notice contrary to the representations contained in this paragraph 15 shall immediately notify the Mortgagee in writing with full details regarding the same. Mortgagor hereby releases Mortgagee from liability with respect to, and agrees to defend, indemnify, and hold harmless Mortgagee, its directors, officers, employees, agents, representatives, successors, and assigns from and against any and all claims, demands, damages, costs, orders, liabilities, penalties, and expenses (including attorney's fees) related in any way to any violation of the covenants or failure to be accurate any of the representations contained in this paragraph 15. In the event Mortgagee in its reasonable discretion deems it necessary to perform due diligence with respect to any of the above, or to have an environmental audit performed with respect to the Mortgaged Premises, Mortgagor agrees that upon the failure of Mortgagor to do so its obligations for such expenses shall be secured by this Mortgage. In the event Mortgagee has elsewhere agreed that it shall have recourse only to the Mortgaged Premises for repayment of the Debt, Mortgagor expressly agrees that notwithstanding such agreement, Mortgagee shall have recourse to Mortgagor and all of its assets with respect to Mortgagor's obligations pursuant to this paragraph 15.

16. The Mortgagor will not make a deduction from or claim a credit on the principal or interest secured by this Mortgage by reason of any governmental taxes, assessments or charges. The Mortgagor will not claim any deduction from the taxable value of the Mortgaged Premises by reason of this Mortgage.

17. The Mortgagor has received a true copy of this Mortgage without charge.

18. The Mortgagor, on behalf of itself and all persons now or hereafter interested in the Mortgaged Premises, to the fullest extent permitted by law hereby waives all rights under all appraisement, homestead, moratorium, valuation, exemption, stay, extension, and redemption statutes, laws or equities now or hereafter existing, and hereby further waives the pleading of any statute of limitations as a defense to any and all liabilities secured by this Mortgage, and the Mortgagor agrees that no defense, claim or right based on any thereof will be asserted, or may be enforced, in any action enforcing or relating to this Mortgage. Without limiting the generality of the preceding sentence, the Mortgagor on its own behalf and on behalf of each and every person acquiring any interest in or title to the Mortgage Premises subsequent to the date of this Mortgage, hereby irrevocably waives any and all rights of redemption from sale under any order of decree of foreclosure of this Mortgage or under any power contained herein or under any sale pursuant to any statute, order, decree or judgment of any court. Mortgagor for itself and for all persons hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Mortgage, hereby expressly waives and releases all rights to

direct the order in which any of the Mortgaged Premises shall be sold in the event of any sale or sales pursuant hereto and to have any of the Mortgaged Premises and/or any property now or hereafter constituting security for any of the indebtedness secured hereby marshalled upon any foreclosure of this Mortgage or of any other security for any of said indebtedness.

~~Stanford Bailey~~
~~Sarah Qualls-Bailey~~
~~Stanford & Sarah Qualls-Bailey~~
~~Stanford & Sarah Qualls-Bailey~~
Stanford Bailey
Sarah Qualls-Bailey
Stanford & Sarah Qualls-Bailey
Sarah Qualls-Bailey

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