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Closing Item No. _____

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") made as of the first day of December, 1985 between Bank of Hickory Hills, not personally but solely as Trustee under a Trust Agreement dated December 17, 1982 and known as Trust No. 2710, an Illinois land trust, having an address at 7800 West 95th Street, Hickory Hills, Illinois 60457, hereinafter called the "Mortgagor" of which Thomas Papoutsis (the "Borrower") and Aglaia Papoutsis are sole beneficiaries and the City of Palos Hills, Illinois, a municipality organized and existing under the laws of Illinois having an address at 8555 West 103rd Street, Palos Hills, Illinois 60465, hereinafter called the "Mortgagee";

WHEREAS, the Borrower and the Mortgagor are issuing that certain Promissory Note (the "Note") in the principal amount of \$1,000,000 dated the date of issuance for the purpose of financing the cost of the acquisition of a land located at 103rd Street and Harlem Avenue, Palos Hills, Illinois and the construction of a commercial facility thereon (the "Project") as security for the Industrial Project Revenue Bond (Papoutsis Project) (the "Bond") in the principal amount of \$1,000,000 and dated the date of issuance to be issued by the Mortgagee in furtherance of the purposes of the Industrial Project Revenue Bond Act, Sections 74-1 et. seq. of Article Eleven of Chapter 24, Illinois Revised Statutes, 1983, as from time to time supplemented and amended (the "Act");

WHEREAS, the Borrower and the Mortgagor are indebted to the Mortgagee in the principal sum of One Million Dollars (\$1,000,000) with interest thereon, to be paid according to the Note and made payable to the order of Mortgagee and delivered pursuant to the Loan Agreement dated as of December 1, 1985 between the Mortgagee and the Borrower (the "Agreement"), in and by which said Note the Mortgagor and the Borrower promise to pay the said principal sum and interest on the balance of principal remaining from time to time unpaid on the Note at the rate of seventy-five percent (75%) of the rate of interest determined by the Assignee (as hereinafter defined) as its Base Rate from time to time and is the same as the Prime Rate of Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, set from time to time (the "Base Rate"), adjusted as provided in the Note, and with interest on any overdue principal and interest or a Determination of Taxability (as defined in the Agreement) at the rates provided in the Note; provided however the interest

This Instrument Prepared By:
Charles P. Carlson
Carlson and Hug
135 South LaSalle Street
Chicago, Illinois 60603

P.I.N.: 23-13-207-001, 002, 003, 004
Address: 103rd Street and
Harlem Avenue
Palos Hills, Illinois

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rate shall never be less than 8% nor more than 12% per annum (except in the event of an Event of Default, upon a Determination of Taxability, a change in the Tax Rate or a change in the TEFRA Disallowance Deduction (as such terms are defined in the Note), with a final payment of principal plus interest if not sooner paid by redemption, purchase pursuant to the Purchase Agreement (as defined in the Agreement) or acceleration due on the first day of January, 2001; and

WHEREAS, this Mortgage (except for the right of the Issuer to payment of its expenses) is being assigned by Mortgagee to Heritage County Bank and Trust Company, Blue Island, Illinois (the "Assignee") pursuant to that certain Assignment and Agreement dated as of December 1, 1985 between the Mortgagee and the Assignee as security for the Bond;

NOW THEREFORE the Mortgagor, in order to secure the payment of the principal of and interest on the Note in accordance with the terms and provisions thereof and the observance and performance of all covenants and agreements herein or therein contained, and for the payment of any other amounts that are payable under the Agreement and also for and in consideration of the sum of Ten Dollars to the Mortgagor in hand paid by the Mortgagee, at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, released, conveyed, confirmed, mortgaged and granted a security interest in and by these presents does grant, bargain, sell, alien, release, convey, confirm and mortgage unto the said Mortgagee and its successors and assigns and does hereby grant to Mortgagee its successors and assigns a security interest in, FOREVER.

ALL that tract or parcel of land and premises, situated, lying and located at 103rd Street and Harlem Avenue, Palos Hills, Illinois, in the County of Cook and State of Illinois, more particularly described on Exhibit "A" attached hereto and made a part hereof.

The land so described in Exhibit "A," together with the property hereinafter described, are referred to herein as the "premises".

TOGETHER with all buildings, improvements, tenements, easements, fixtures and appurtenances at any time belonging thereto and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate as security for the payment of the indebtedness secured hereby and not secondarily), and, without limiting the generality of the foregoing, all apparatus and building equipment of every kind now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, and all window screens, window shades, storm doors and windows, awnings, wall-to-wall floor coverings, gas and electric fixtures, sinks and water heaters. All of the foregoing are declared to be a part of

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said real estate whether physically attached thereto or not, and it is agreed that all similar apparatus, equipment or articles hereafter placed in the premises by the Mortgagor or its successors or assigns shall be considered as constituting part of the real estate.

As to any of the above property which is not considered by law as real estate, this Mortgage is hereby also deemed to be a security agreement under the provisions of the Illinois Uniform Commercial Code (Ill. Rev. Stat., ch. 26) Section 9-101 et seq.) for the purpose of creating hereby a security interest in such property, which is hereby granted to Mortgagee as secured party, further securing the indebtedness and obligation described above.

TO HAVE AND TO HOLD the premises unto the said Mortgagee, its successors and assigns, forever; provided, however, that this Mortgage is upon the express condition that if Mortgagor shall pay or cause to be paid all indebtedness hereby secured and shall keep, perform and observe all and singular the covenants and promises in the Bond and in this Mortgage or in any other instrument or document securing the Note or in any agreement applicable thereto expressed to be kept, performed and observed by Mortgagor, then this Mortgage and the estate and rights hereby granted shall cease, determine and be void and this Mortgage shall be released by Mortgagee upon the written request and at the expense of Mortgagor, otherwise to remain in full force and effect and the maximum amount secured by this Mortgage is expressly limited to \$5,000,000 plus accrued fees and expenses.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or destroyed except as provided in the Agreement in cases where the Mortgagor determines that rebuilding, repairing or restoring is not practicable or desirable; (b) keep said premises in good condition and repair, without waste, and free from charges, encumbrances, mechanic's or other liens or claims for lien except Permitted Encumbrances, as defined in the Agreement; (c) pay when due any indebtedness which may be secured by a lien, charge or encumbrance on the premises, and upon request exhibit satisfactory evidence of the discharge of same to Mortgagee; (d) complete within a reasonable time any building or buildings now or at any time in process of erection upon said premises; (e) comply with all requirements of law or municipal ordinances with respect to the premises and the use thereof; (f) without prior written consent of the Mortgagee not make any alteration in said premises except as required by law or municipal ordinance; and (g) promptly notify Mortgagee of any damage or destruction to the premises, of any pending or threatened proceeding for the taking (by eminent domain or otherwise) of any part thereof, of any notice from any governmental authority alleging violation of any building code, zoning ordinance or other governmental requirement or of any

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other event or condition which might impair the value of the premises or its use for its intended purpose.

2. Mortgagor shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges and other charges against the premises when due, and shall upon written request, furnish to Mortgagee duplicate receipts therefor. The Mortgagor may, at its expense and in its own name and behalf in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided during such period enforcement of any such contested item shall be effectively stayed.

3. Mortgagor shall keep all buildings and improvements now or hereafter situated on said premises insured against loss or damage by such hazards and contingencies and in such amounts as are required by Section 5.4 of the Loan Agreement. In no event shall any such policy of insurance be so written that the proceeds thereof will produce less than the minimum coverage required by reason of co-insurance or otherwise. All such policies shall contain standard mortgage clauses providing that all losses thereunder, if the claim for loss exceeds \$75,000, shall be paid to Mortgagee. The Mortgagor shall cause certificates of such insurance or copies of such insurance policies to be delivered to Mortgagee and, in the case of insurance about to expire or be terminated, shall deliver evidence of renewal to Mortgagee not less than 30 days prior to the respective dates of expiration or termination. Mortgagee shall apply any insurance proceeds at any time coming into its hands in accordance with Section 5.5 of the Agreement, provided that if it shall apply same to the reduction of the indebtedness hereby secured, Mortgagor shall be relieved of any duty to restore the damage in respect of which such insurance proceeds were obtained. Mortgagor hereby irrevocably constitutes and appoints Mortgagee as its true and lawful attorney in fact to endorse the name of the Mortgagor on any commercial paper evidencing any insurance proceeds.

4. In case Mortgagor shall fail to perform any covenants herein contained, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said premises or contest any tax assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other moneys advanced by Mortgagee to protect the mortgaged premises and the lien hereof shall be so much additional indebtedness secured hereby and shall become immediately due and

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payable without notice and with interest thereon at the rate per annum of the Base Rate, as determined from time to time plus 2% per annum. Mortgagee shall be subrogated to all rights, claims and liens of any party whose debt is discharged pursuant to this Section 4. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default hereunder on the part of Mortgagor. Mortgagee in making any payment hereby authorized may do so according to any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

5. Mortgagor shall pay each item of indebtedness herein mentioned, both principal and interest, when due according to the terms hereof and of the Note. At the option of Mortgagee and without notice to Mortgagor, all unpaid indebtedness secured by this Mortgage shall, notwithstanding anything in the Note, or in this Mortgage to the contrary, become due and payable (a) in the case of default in making payment of any installment of principal or interest on the Note, or in making payment of any other sum due hereunder, or (b) in case an Event of Default (as defined in the Agreement) occurs under the Agreement, or (c) in case the Mortgagor shall, without the prior written consent of Mortgagee, sell, assign, transfer or lease for a term of more than five years the real estate subject hereto, or any portion thereof or interest therein, or contract or agree so to do, or (d) when default shall occur and continue for 30 days in the performance or observance of any other agreement of the Mortgagor herein contained, or (e) Mortgagor abandons the premises, or (f) Mortgagor shall become bankrupt, insolvent, or any proceedings under any bankruptcy, insolvency, arrangement or adjustment proceedings, or proceedings under any bankruptcy, insolvency or similar law shall be instituted or commenced by or against any such entity, or (g) proceedings shall be commenced to foreclose or otherwise realize upon any lien, charge or encumbrance on the premises or any part thereof, provided that such proceedings shall not be a default hereunder if they are being contested in good faith and funds sufficient to satisfy such lien, charge or encumbrance shall have been placed in escrow and such proceedings shall not have proceeded to foreclosure or other sale of the premises.

6. When the indebtedness hereby secured shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, Mortgagee's fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations,

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guarantee policies, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and become immediately due and payable, with interest thereon at the rate per annum of the Base Rate as determined from time to time plus 2% per annum, when paid or incurred by Mortgagee in connection with (a) any proceeding, including bankruptcy proceedings, to which the Mortgagor shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness hereby secured; or (b) preparation for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose, whether or not actually commenced; or (c) preparation for the defense of any threatened suit or proceedings which might affect the premises or the security hereof, whether or not actually commenced. Mortgagor hereby waives any and all rights of redemption from sale to which it may be entitled under the laws of the State of Illinois on behalf of Mortgagor and each and every person acquiring any interest in, or title to, the premises described herein subsequent to the date hereof and on behalf of all other persons to the extent permitted by law.

7. The proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incurred by the Mortgagee and the holder of the Bond incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof (the rights of the Mortgagee to recover the payment of such costs and expenses shall survive such foreclosure proceedings in the event that all such costs and expenses have not been satisfied in such foreclosure proceedings); second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note; fourth, any overplus to Mortgagor, its legal representatives or assigns, to be distributed in accordance with the Agreement to the parties thereto, as their rights may appear.

8. Upon, or at any time after, the filing of a suit to foreclose this Mortgage, the court in which such suit is filed may appoint a receiver of said premises without requiring any bond from the claimant in any such suit. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not and the Mortgagee or assignee hereunder may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said premises during the pendency of such foreclosure suit and, in case of a sale and a

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deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such 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 income in his hands in payment in whole or in part of: (1) the costs and expenses of the receiver and of both the Issuer and any successor mortgagee under paragraph 6 above, the right of the Issuer to the payment of such costs and expenses, if any, shall survive the assignment hereof; (2) the indebtedness secured hereby, or by any decree foreclosing this Mortgage or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; and (3) the deficiency in case of a sale and deficiency.

9. As further security for the indebtedness hereby secured, Mortgagor hereby assigns to Mortgagee any and all awards at any time made for the taking (whether permanent or temporary) by condemnation, eminent domain or otherwise of all or any part of the premises or any rights, interests or privileges appurtenant thereto, together with the right (but not the duty) to collect, receive, receipt for, compromise and adjust such awards and to endorse the name of Mortgagor on any commercial paper given in payment thereof. Unless Mortgagee shall otherwise agree, the proceeds of all such awards shall be applied as provided in the Agreement.

10. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note.

11. Mortgagee shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.

12. Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension, exemption or redemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the sale of the premises, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the premises sold as an entirety and Mortgagor hereby specifically waives any rights of redemption under the Illinois Statutes.

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13. In the event of Chapter Eleven bankruptcy or other reorganization, the Mortgagor waives any right of debtor in possession, and consents and agrees that the Assignee shall be debtor in possession, provided however that the Assignee shall not be appointed debtor in possession so long as no payment default shall have occurred under the Note.

14. This Mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons, jointly and severally.

15. When the indebtedness hereby secured shall become due, whether by acceleration or otherwise, Mortgagee shall have all the remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation thereto the right to take possession of the tangible personal property, machinery and equipment which is security for the indebtedness hereunder and for that purpose the Mortgagee may, insofar as the Mortgagor can give authority therefor, enter upon any premises on which said tangible personal property or any part thereof may be situated and remove the same therefrom. Unless said tangible personal property is perishable, threatens to decline speedily in value or is of a type customarily sold on a recognized market Mortgagee will give Mortgagor at least 10 days prior written notice of the time and place of any public sale thereof or of a time after which a private sale or other intended disposition thereof is to be made.

If any provisions of this Mortgage shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Mortgage contained, shall not affect the remaining portions of this Mortgage, or any part thereof.

All rights and privileges of Mortgagee hereunder shall vest in Assignee and all notices, consents or other approvals required to be given to or received by Mortgagee shall instead be given to or obtained from the Assignee.

This Mortgage is signed by Bank of Hickory Hills, not personally, but solely as Trustee under a Trust Agreement dated December 17, 1982 and known as Trust Number 2710. Said Trust Agreement is hereby made a part hereof and any claims against said Trust which may result from the signing of this Mortgage

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shall be payable only out of any trust property which may be held thereunder and said Trustee shall not be personally liable for the performance of any of the terms and conditions of this agreement or for the validity or condition of the title of said property or for any agreement with respect thereto. Any and all personal liability of Bank of Hickory Hills is hereby expressly waived by the parties hereto and their respective successors and assigns.

Witnesseth the signature of Mortgagor as of the day and year first above written but actually entered into this 20 day of December, 1985.

BANK OF HICKORY HILLS, not personally but solely as Trustee under a Trust Agreement dated December 17, 1982 and known as Trust No. 2710

By Bridgette W. Scanlan
Its Bridgette W. Scanlan, Asst. V.P. & Tr. Ofc

(SEAL)

Attest:

By Pamela J. Grzywinski
Its Pamela J. Grzywinski, Tr. Op. Ofc.

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EXHIBIT "A" 03403773

Description of Land

LOTS 1, 2 AND 21 AND 22 IN ROBERT BARTLETT'S HARLEM AVENUE GARDEN HOMESITES, BEING A SUBDIVISION OF THE NORTH 1200 FEET OF THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTH 1575 FEET OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 37 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 20th day of December, 1985 by Bridgette W. Scanlan and Pamela J. Grzywinski, who are respectively Asst. V.P. & Tr. of and T.O.O. of Bank of Hickory Hills, an Illinois banking corporation, on behalf of the corporation.

GIVEN under my hand and notarial seal this 20th day of December, 1985.

Brenda J. Brown
Notary Public in and for Cook
County, Illinois

(SEAL)

My Commission expires: 1/1/84

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FILE ID:
LAND OFFICE LAND TITLE LTD;
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PARK ROAD
CHICAGO, ILL. 60665
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