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THIS INSTRUMENT PREPARED BY,
AND WHEN RECORDED SHOULD BE
MAILED TO:

ENGELMAN & SMITH
ONE CONCOURSE PLAZA
4711 GOLF ROAD, SUITE 907
SKOKIE, ILLINOIS 60076

71-12-045 DI

Mortgage, Assignment of Rents and Security Agreement

This Mortgage, Assignment of Rents and Security Agreement (the "Mortgage") is made this 27th day of June, 1987, among DEVON BANK, an Illinois Banking Corporation, not personally, but solely as Trustee under the provisions of that certain Trust Agreement dated May 4, 1978 and known as Trust Number 3360 (the "Borrower"), ROBERT BABBIN and NORMAN TRIEGER, the sole beneficiaries of Trust Number 3360 (the "Beneficial Owners"), hereinafter referred to collectively as the "Mortgagor") and DEVON BANK, an Illinois Banking Corporation, (the "Lender" or "Secured Party", as applicable), whose address is 6405 North Western Avenue, Chicago, Illinois 60645.

WITNESSETH: Mortgagor irrevocably grants, conveys, transfers and assigns to Lender that real property in Cook County, Illinois, described as:

THE EAST 205.0 FEET OF LOT ONE, AS MEASURED ALONG THE NORTHERLY AND SOUTHERLY LINES THEREOF IN GLEICH'S INDUSTRIAL PARK, BEING A SUBDIVISION OF PART OF THE WEST HALF OF THE NORTHEAST QUARTER AND PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS, ACCORDING TO PLAT THEREOF REGISTERED IN THE OFFICE OF THE REGISTRAR OF TITLES OF COOK COUNTY, ILLINOIS, ON AUGUST 5, 1957, AS DOCUMENT NUMBER 1752354.

Commonly known as: 415 E. Prospect, Mt. Prospect, Illinois

Permanent Tax No. 08-12-227-018-0000

TOGETHER with all interest which Mortgagor now has or may hereafter acquire in or to said property, and in and to: (a) all easements and rights of way appurtenant thereto, and all heretofore or hereafter vacated alleys and streets abutting said property; (b) all buildings, structures, tenements, improvements, fixtures and appurtenances now or hereafter placed thereon, including but not limited to, all fixtures, apparatus, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with said property, including, but not limited to those for the purposes of supplying or distributing air cooling, air conditioning, gas, electricity, water, air, refrigeration, ventilation, laundry, drying, dishwashing, garbage disposal and other services; and all

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related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bathtubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods; mirrors, cabinets, panelling, rugs, attached floor coverings, furniture, pictures, antennae, trees and plants, pool equipment, it being intended and agreed that such items, including replacements and additions thereto, be conclusively deemed to be affixed to and be part of the real property that is conveyed hereby; (c) all cabinets, shelving, furniture, displays, lights, machinery and other trade fixtures attached or otherwise installed on said property used for a trade or business, it being intended and agreed that such items, including replacements and additions thereto, be conclusively deemed to be affixed to and be part of the real property that is conveyed hereby; (d) all royalties, minerals, oil and gas rights and profits, water and water rights (whether or not appurtenant) owned by Mortgagor and shares of stock pertaining to such water or water rights, ownership of which affects said property; and (e) the rents, income, issues and profits of all properties covered by this Mortgage; and (f) all accounts, accounts receivable, chattel paper, insurance claims, condemnation awards, general intangibles, contract rights, instruments, documents and other rights of Mortgagor arising out of or related to Mortgagor's ownership of such property, SUBJECT, HOWEVER, to the terms and conditions herein set forth. Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be requested by Lender to evidence or confirm the lien of this Mortgage on any such properties. The properties conveyed to Trustee hereunder are hereinafter referred to as the "Property".

FOR THE PURPOSE OF SECURING:

(1) Payment of the sum of \$125,000.00 with interest thereon, according to the terms of a promissory note of even date herewith and having a final maturity date of July 1, 1992 made by Mortgagor payable to Lender or order, and all modifications, extensions or renewals thereof (the "Note"). (2) Payment of such additional sums with interest thereon: (a) as may be hereafter advanced by Lender pursuant to paragraph 34 hereof (herein "Future Advances"); and (b) as may be incurred, paid out, or advanced by Lender, or may otherwise be due to Lender under any provision of this Mortgage. (3) Performance of each agreement of Mortgagor contained herein or incorporated herein by reference or contained in any other agreements or covenants executed by Mortgagor relating to the loan secured hereby. (4) Performance by Mortgagor with each and every monetary obligation to be performed by Mortgagor under any recorded covenants, conditions and restrictions pertaining to the Property. (5) At Lender's option, payment, with interest thereon, of any other present or future indebtedness or obligation of Mortgagor (or of any successor in interest of Mortgagor to such Property) owing to Lender, whether created directly or acquired by absolute or contingent assignment, whether due or not, whether otherwise secured or not, or whether existing at the time of the execution of this Mortgage or arising thereafter, the exercise of such option to be evidenced by a notice in writing to Mortgagor or any successor in interest to Mortgagor. (6) Performance of all agreements of Mortgagor to pay fees and charges to the Lender relating to the loan secured hereby. (7) Payment of charges, as allowed by law when such charges are made, for any statement issued by Lender regarding the obligation secured hereby.

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Mortgagor covenants that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to grant, convey, transfer and assign the Property to Lender.

TO PROTECT THE SECURITY TO THIS MORTGAGE, MORTGAGOR COVENANTS AND AGREES AS FOLLOWS:

(1) **Payment of Principal and Interest.** Mortgagor shall pay when due the principal of and interest on the indebtedness evidenced by the Note, any prepayment and late charges provided in the Note and all other sums secured by this Mortgage.

(2) **Funds for Taxes, Insurance and Other Charges.** Upon request by Lender, Mortgagor shall pay to Lender on the day monthly installments of principal and/or interest are payable under the Note (or on another day designated in writing by Lender), until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of: (a) the yearly water and sewer rates and taxes and assessments which may be levied on the Property, (b) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Property as Lender may require pursuant to Paragraph hereof; (c) the yearly premium installments for mortgage insurance, if any, and all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Any waiver by Lender of a requirement that Mortgagor pay such Funds may be revoked by Lender, in Lender's sole discretion, at any time upon notice in writing to Mortgagor. Lender may require Mortgagor to pay to Lender, in advance, such sums for other taxes, charges, premiums, assessments and impositions relating to Mortgagor or the Property, payment of which Lender reasonably shall deem necessary to protect any of the liens or security interests of Lender covered by this Mortgage ("Other Impositions"). Unless otherwise provided by applicable law, Lender may require Funds for Other Impositions to be paid to Lender by Mortgagor in a lump sum or in periodic installments, as Lender's option.

The Funds shall be held by Lender or, at Lender's option, in another institution(s) the deposits or accounts of which are insured or guaranteed by a Federal or state agency. Lender shall apply the Funds to pay said rates, rents, taxes, assessments, insurance premiums, rent and other impositions as they become due, provided that Mortgagor is not in breach of any covenant or agreement of Mortgagor in this Mortgage. Lender shall make no charge for so holding and applying the Funds, analyzing said account or for verifying and compiling said assessments and bills, unless Lender pays Mortgagor interest, earnings or profits on the Funds and applicable law permits Lender to make such a charge. Mortgagor and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Mortgagor, and unless such agreement is made or applicable law requires payment of interest, earnings or profits on the Funds to be paid, Lender shall not be required to pay Mortgagor any interest, earnings or profits on the Funds. Lender shall give to Mortgagor, without charge, an annual accounting of the Funds in Lender's usual format showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the indebtedness secured by this instrument.

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If the amount of the Funds held by Lender at the time of the annual accounting thereof shall exceed the amount deemed necessary by Lender to provide for the payment of water and sewer rates, taxes, assessments, insurance premiums, rents and Other Impositions, as they fall due, such excess shall be refunded to Mortgagor following such audit. If at any time the amount of Funds held by Lender shall be less than the amount deemed necessary by Lender to pay water and sewer rates, taxes, assessments, insurance premiums, rents and Other impositions, as they fall due, Mortgagor shall pay to Lender any amount necessary to make up the deficiency within thirty days after written notice from Lender to Mortgagor requesting payment thereof.

Upon Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage, Lender may apply, in any amount and in any order as Lender shall determine, in Lender's sole discretion, any Funds held by Lender at the time of application: (i) to pay rates, rents, taxes, assessments, insurance premiums and Other Impositions which then are due; or (ii) as a credit against any indebtedness secured by this instrument. Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Mortgagor any unapplied Funds held by Lender.

(3) **Application of Payments.** Unless applicable law requires otherwise, all payments received by Lender from Mortgagor under the Note or this Mortgage shall be applied by Lender in the following order of priority: (a) amounts payable to Lender by Mortgagor under paragraph 2 hereof; (b) interest payable on the Note; (c) principal of the Note; (d) interest payable on advances made pursuant to paragraph 8 hereof; (e) principal of advances made pursuant to paragraph 8 hereof; (f) interest payable on any Future Advance, provided that if more than one Future Advance is outstanding, Lender may apply payments received among the amounts of interest payable on the Future Advances in such order as Lender, in Lender's sole discretion, may determine; (g) principal of any Future Advance, provided that if more than one Future Advance is outstanding, Lender may apply payments received among the principal balances of the Future Advances in such order as Lender, in Lender's sole discretion may determine; and (h) any other sums secured by this Mortgage in such order as Lender, at Lender's option, may determine; provided, however, that Lender may, at Lender's option, apply any sums payable pursuant to paragraph 8 hereof prior to interest on and principal of the Note, but such application shall not otherwise affect the order of priority of application specified in this paragraph 3.

(4) **Charges; Liens.** Mortgagor shall pay all water and sewer rates, rents, taxes, assessments, premiums and other impositions attributable to the Property at Lender's option, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Mortgagor making payment, when due directly to the appropriate payee thereof, or in such other manner as Lender may designate in writing. When required to do so by Lender, Mortgagor shall promptly furnish to Lender all notices of amounts due under this paragraph 4, and in the event Mortgagor shall make payment directly, Mortgagor shall promptly furnish to Lender receipts evidencing such payments. Mortgagor shall promptly discharge any lien which has, or may have, priority over or equality with, the lien of this Mortgage, and Mortgagor shall pay, when due,

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the claims of all persons supplying labor or materials to or in connection with the Property.

(b) **Hazard Insurance.** Mortgagor shall keep the improvements now existing or hereafter erected on the Property insured by carriers at all times satisfactory to Lender against loss by fire, hazards included within the term "extended coverage", rent loss and such other hazards, casualties, liabilities and contingencies as Lender shall require, including among other things, flood, earthquake, tornado or similar environmental damage, and in such amounts for such periods as Lender shall require. All premiums on insurance policies shall be paid, at Lender's option, in the manner provided under paragraph 2 hereof, or by Mortgagor making payment, when due, directly to the carrier, or in such other manner as Lender may designate in writing.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgagee loss payable clause in favor of or in form acceptable to Lender. Lender shall have the right to hold policies, and when requested by Lender, Mortgagor shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. At least thirty days prior to the expiration date of a policy, Mortgagor shall deliver to Lender a renewal policy in form satisfactory to Lender.

In the event of any loss covered by any such policies, Mortgagor shall give immediate written notice to the insurance carrier and to Lender. Mortgagor hereby authorizes and empowers Lender as attorney-in-fact for Mortgagor to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, provided however, that nothing contained in this paragraph 5 shall require Lender to incur any expense or take any action hereunder. Mortgagor further authorizes Lender, at Lender's option: (a) to hold the balance of such proceeds to be used to reimburse Mortgagor for the cost of reconstruction or repair of the Property; or (b) to apply the balance of such proceeds to the payment of the sums secured by this Mortgage, whether or not then due, in the order of application set forth in paragraph 3 hereof.

If the insurance proceeds are held by Lender to reimburse Mortgagor for the cost of restoration and repair of the Property, the Property shall be restored to the equivalent of its original condition or such other condition as Lender may approve in writing, and Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of such plans and specifications of an architect satisfactory to Lender, contractor's cost estimates, architect's certificates, waivers of liens, sworn statements or mechanics and materialmen and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Lender may reasonably require. If the insurance proceeds are applied to the payment of the sums secured by this Mortgage, any such application of proceeds to principal shall not extend or postpone the due dates of the monthly installments referred to in paragraph 1 and 2 hereof or of the Note secured hereby or change the amounts of such installments. In the event Lender acquires title to the Property by foreclosure or otherwise, Lender thereupon shall also be deemed to have acquired exclusively all of the right, title and interest of Mortgagor in and to any insurance policies

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and unearned premiums thereon and in and to any insurance proceeds resulting from, or which may be payable as a consequence of, any damages to the Property prior to such sale or acquisition.

6. Preservation and Maintenance of Property; Leaseholds. Mortgagor: (a) shall not commit waste or permit any physical deterioration of the Property; (b) shall not abandon the Property; (c) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances on the Property in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (f) shall provide for professional management of the Property by a rental property manager satisfactory to Lender pursuant to a contract approved by Lender in writing, unless such requirement shall be waived by Lender; (g) shall generally operate and maintain the Property in a manner to ensure maximum rentals; and (h) shall give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security of this Mortgage or the rights or powers of Lender. Neither Mortgagor nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixtures, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

(7) Use of Property. Unless required by applicable law or unless Lender has otherwise agreed in writing, Mortgagor shall not allow changes in the use for which all or any part of the Property was intended at the time this Mortgage was executed. Mortgagor shall not initiate or acquiesce in a change in the zoning classification of the Property without Lender's prior written consent.

(8) Protection of Lender's Security. If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, building code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such action as Lender deems necessary, in its sole discretion, to protect Lender's interest, including, but not limited to: (a) disbursement of attorneys' fees; (b) entry upon the Property to make repairs or otherwise to protect the same as security for the indebtedness secured by this Mortgage; and (c) procurement of satisfactory insurance as provided in paragraph 5 hereof.

Any amounts disbursed by Lender pursuant to this paragraph 8, with interest thereon, shall become additional indebtedness secured by this Mortgage. Unless Mortgagor and Lender agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the rate as adjusted from time to time in

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accordance with the terms of the Note, compounded monthly, unless collection from Mortgagor of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Mortgagor under applicable law. Mortgagor hereby covenants and agrees that Lender shall be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by any advances made by Lender hereunder. Nothing contained in this paragraph 8 shall require Lender to incur any expense or take any action hereunder.

(9) **Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property.

(10) **Books and Records.** Mortgagor shall keep and maintain at all times at Mortgagor's address as provided in the Note, or such other places as Lender may approve in writing, complete and accurate books of accounts and records, in accordance with generally accepted accounting principles, consistently applied, adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, budgets, change orders, leases and other instruments which affect the Property. Such books, records, contracts, budgets, change orders, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender. Within seven days of Lender's request, Mortgagor shall furnish to Lender a balance sheet, a statement of income and expenses of the Property and a statement of changes in financial position, each in reasonable detail and certified by Mortgagor and, if Lender shall require, by an independent certified public accountant. Mortgagor shall furnish, together with the foregoing financial statements and at any other time upon Lender's request, a rent schedule for the Property, certified by Mortgagor or Mortgagor's beneficiary, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid. In addition to the foregoing, at Lender's request, Mortgagor shall furnish such financial statements and other documents or records within 120 days following the close of each calendar year. All financial statements and other documents or records pursuant to this paragraph 10 shall be provided at Mortgagor's sole expense.

(11) **Condemnation.** Mortgagor shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or indirect or whether by eminent domain or otherwise, of the Property, or part thereof, and Mortgagor shall appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. Mortgagor authorizes Lender, at Lender's option, as attorney-in-fact for Mortgagor, to commence, appear in and prosecute, in Lender's or Mortgagor's name, any action or proceeding relating to any such condemnation or other taking of the Property, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any such condemnation or other taking, of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned to and shall be paid to Lender.

Mortgagor authorizes Lender to apply such awards, payments, proceeds or damages, after the deduction of Lender's expenses incurred in the collection of such amounts, at Lender's option, to restoration or repair of the

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Property or to payment of the sums secured by this Mortgage, whether or not then due, in the order of application set forth in paragraph 3 hereof, with the balance, if any, to Mortgagor. Unless Mortgagor and Lender otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. Mortgagor agrees to execute such further evidence of assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as Lender may require.

(12) **Lien Not Released.** From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Mortgagor, Mortgagor's successors or assigns or of any junior lienholder or guarantors, without liability on Lender's part and notwithstanding Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage extend the time for payment of said indebtedness or any part thereof, reduce the payments thereon, release any other persons secondarily or otherwise liable on any said indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of said indebtedness, release from the lien of this Mortgage any party or the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Mortgagor to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Any actions taken by Lender pursuant to the terms of this paragraph 12 shall not affect the obligations of Mortgagor or Mortgagor's successors or assigns to pay the sums secured by this Mortgage and to observe the covenants of Mortgagor contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured hereby, and shall not affect the lien or priority of lien hereof, on the Property. Mortgagor shall pay Lender a reasonable service charge, together with such title insurance premiums and attorneys' fees as may be incurred, at Lender's option, for any such action.

(13) **Forebearance by Lender Not a Waiver.** No waiver by Lender of any right under this Mortgage shall be effective unless in writing. Waiver by Lender of any right granted to Lender under this Mortgage or of any provision of this Mortgage as to any transaction or occurrence shall not be deemed a waiver as to any future transaction or occurrence. By accepting payment of any sum secured hereby after its due date or by making any payment or performing any act on behalf of Mortgagor that Mortgagor was obligated hereunder but failed to make or perform, or by adding any payment so made by Lender to the indebtedness secured hereby, Lender does not waive its right to require prompt payment when due of all sums so secured or to require prompt performance of all other acts required hereunder, or to declare a default for failure so to pay.

(14) **Estoppel Certificate.** Mortgagor shall within ten days of a written request from Lender furnish Lender with a written statement, duly acknowledged, setting forth the sums secured by this Mortgage and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this Mortgage.

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FEDERAL BUREAU OF INVESTIGATION

(15) **Uniform Commercial Code Security Agreement.** This Mortgage is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subjected to a security interest pursuant to the Uniform Commercial Code, and Mortgagor hereby grants Secured Party a security interest in said items. Mortgagor agrees that Secured Party may file this Mortgage, or a reproduction thereof, in the appropriate records or index for Uniform Commercial Code filings as a financing statement for any of the items specified above as part of the Property. Any reproduction of this Mortgage or of any security agreement or financing statement shall be sufficient as a financing statement. In addition, Mortgagor agrees to execute and deliver to Secured Party, upon Secured Party's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Mortgage in such form as Secured Party may require to perfect a security interest with respect to said items. Mortgagor shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Secured Party may reasonably require. Without the prior written consent of Secured Party, Mortgagor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Mortgagor's breach of any covenants or agreement of Mortgagor contained in this Mortgage, including the covenants to pay when due all sums secured by this Mortgage, Secured Party shall have the remedies of a secured party under the Uniform Commercial Code and, at Secured Party's option, may invoke the remedies provided in paragraph 20 of this Mortgage as to such items. In exercising any of said remedies, Secured Party may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Secured Party's remedies under the Uniform Commercial Code or of the remedies provided in paragraph 20 of this Mortgage.

(16) **Lease of Property.** Mortgagor shall comply with and observe Mortgagor's obligations as landlord under all leases of the Property or any part thereof. Mortgagor, at Lender's request, shall furnish Lender with executed copies of all leases now existing or hereafter made of all or any part of the Property, and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender. Unless otherwise waived by Lender, all leases of the Property shall specifically provide that such leases: (a) are subordinate to this Mortgage; (b) that the tenant attorns to Lender, such attornment to be effective upon Lender's acquisition of title to the Property; (c) that the tenant agrees to execute such further evidences of attornment as Lender may from time to time request; (d) that the attornment of the tenant shall not be terminated by foreclosure; and (e) that Lender may, at Lender's option, accept or reject such attornments. Mortgagor shall not, without Lender's written consent, execute, modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter made of all or any part of the Property providing for a term of three years or more, permit an assignment or sublease of such a lease without Lender's written consent, or request or consent to the subordination of any lease of all or any part of the Property to any lien subordinate to this Mortgage. If Mortgagor becomes aware that any tenant proposes to do,

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or is doing, any action or thing which may give rise to any right of set-off against rent, Mortgagor shall: (i) take such steps as shall be reasonably calculated to prevent the accrual of any right to a set-off against rent; (ii) notify Lender thereof and of the amount of said set-offs; and (iii) within ten days after such accrual, reimburse the tenant who shall have acquired such right to set-off or take such other steps as shall effectively discharge such set-off and as shall assure that rents thereafter due shall continue to be payable without set-off or deduction.

Upon Lender's request, Mortgagor shall assign to Lender, by written instrument satisfactory to Lender, all leases now existing or hereinafter made of all or any part of the Property and all security deposits made by tenants in connection with such leases of the Property. Upon assignment by Mortgagor to Lender of any leases of the Property, Lender shall have all of the rights and powers possessed by Mortgagor prior to such assignment and Lender shall have the right to modify, extend or terminate such existing leases and to execute new leases, in Lender's sole discretion.

(17) Assignment of Rent; Appointment of Receiver; Lender in Possession. As part of the consideration for the loan evidenced by the Note, Mortgagor hereby absolutely and unconditionally assigns and transfers to Lender all the rents and revenues of the Property, including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Mortgagor hereby authorizes Lender or Lender's agent to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Lender or Lender's agents; provided, however, that prior to written notice given by Lender to Mortgagor of the breach by Mortgagor of any covenant or agreement of Mortgagor in this Mortgage, Mortgagor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Mortgagor, to apply the rents and revenues so collected to the sums secured by this Mortgage in the order provided in paragraph 3 hereof with the balance, so long as no such breach has occurred, to the account of Mortgagor, it being intended by Mortgagor and Lender that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Lender to Mortgagor of the breach by Mortgagor of any covenant or agreement of Mortgagor in this Mortgage, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Lender shall immediately be entitled to possession of all rents and revenues of the Property as specified in this paragraph 17 as the same become due and payable, including, but not limited to, rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Mortgagor as trustee for the benefit of Lender only; provided, however, that the written notice by Lender to Mortgagor of the breach by Mortgagor shall contain a statement that Lender exercises its rights to such rents. Mortgagor agrees that commencing upon delivery of such written notice of Mortgagor's breach by Lender to Mortgagor, each tenant of the Property shall make such rents payable to and pay such rents to Lender or Lender's agents on Lender's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental until, without any liability on the part of said tenant to inquire further as to the existence of a default by Mortgagor.

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Mortgagor hereby covenants that Mortgagor has not executed any prior assignment of said rents, that Mortgagor has not performed, and will not perform, any acts or has not executed, and will not execute, any instrument which would prevent Lender from exercising its rights under this paragraph 17, and that at the time of execution of this Mortgage there has been no anticipation or prepayment of any of the rents of the Property for more than two months prior to the dates of such rents. Mortgagor covenants that Mortgagor will not hereafter collect or accept payment of any rents of the Property more than two months prior to the due dates of such rents. Mortgagor further covenants that Mortgagor will execute and deliver to Lender such further assignments of rents and revenues of the Property as Lender may from time to time request.

Upon breach of any covenant or agreement in this Mortgage, Lender may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take possession and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof and the conducting thereon of any business or businesses then being conducted by Mortgagor including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property or the conducting of such businesses thereon, all on such terms as are deemed best to protect the security of this Mortgage. In the event Lender elects to seek the appointment of a receiver for the property upon Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage, Mortgagor hereby expressly consents to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Lender to Mortgagor of the breach by Mortgagor of any covenant or agreement of Mortgagor in this Mortgage shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorneys' fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Mortgagor as lessor or landlord of the Property and then to the sums secured by this Mortgage. Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Lender shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Property by reason of anything done or left undone by Lender under this paragraph 17.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Lender for such purposes shall become indebtedness of Mortgagor to Lender secured by this Mortgage pursuant to paragraph 8 hereof. Unless Lender and Mortgagor agree in writing to other terms of payment, such amounts shall be immediately due and payable by

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Mortgagor and shall bear interest from the date of disbursement at the rate as adjusted from time to time in accordance with the terms of the Notes, compounded monthly, unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Mortgagor under applicable law.

Any entering upon and taking and maintaining control of the Property by Lender or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Mortgage ceases to secure the indebtedness held by Lender.

(18) Acceleration in Case of Insolvency. Notwithstanding anything in this Mortgage or the Note to the contrary, if Mortgagor or a owner of the beneficial interest of Mortgagor shall voluntarily file a petition under the Federal Bankruptcy Act, as such Act may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if said Mortgagor or owner shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation under a bankruptcy or insolvency act within a reasonably prompt time after such filing or if said Mortgagor or owner shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for either of them or their property, or if the Property shall become subject to the jurisdiction of a Federal bankruptcy court or similar state court, or if said Mortgagor or owner shall make an assignment for the benefit of their respective creditors, or if there is an attachment, execution or other judicial seizure of any portion of their respective assets and such seizure is not discharged within ten days, then Lender may, at Lender's option, declare all indebtedness due under this Mortgage and the Note secured hereby to be immediately due and payable without prior notice, and Lender may invoke any remedies permitted by paragraph 17 of this Mortgage. Any attorneys' fees and other expenses incurred by Lender in connection with such bankruptcy or any of the other aforesaid events shall be additional indebtedness of Mortgagor secured by this Mortgage and payable on demand.

(19) Transfers of the Property or Beneficial Interests in Mortgagor. On sale or transfer of: (a) all or any part of the Property, or any interest therein; or (b) beneficial interests in Mortgagor (if Mortgagor is not a natural person or persons but is a corporation, partnership, trust or other legal entity), Lender may, at Lender's option, declare all of the sums secured by this Mortgage to be immediately due and payable, and Lender may invoke any remedies permitted by paragraph 20 of this Mortgage. This option shall not apply in case of:

- (i) transfers by devise or descent or by operation of law upon the death of a joint tenant;
- (ii) the grant of a leasehold interest in a part of the Property of three years or less, including all

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renewal options, (or such longer lease term as Lender may permit by prior written approval) not containing an option to purchase;

- (iii) sales or transfers of fixtures or any personal property pursuant to the replacement thereof with property of the same kind and quality.

(20) Acceleration; Remedies. Upon Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage or the Note, including but not limited to, the covenants to pay when due any sums secured by this Mortgage, Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand.

(a) When the indebtedness hereby secured shall become due whether by acceleration or otherwise, the Lender shall have the right to foreclose the lien thereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the order of foreclosure or sale all expenditures and expenses which may be paid or incurred by or on behalf of Lender for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers charges, publication cost and costs of procuring all abstracts of title or commitments for title insurance. Such fees, charges and costs may be estimated as to items to be expended after entry of the order of foreclosure or sale as Lender may deem 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 such property. All expenditures and expenses of the nature mentioned in this paragraph shall become so much additional indebtedness secured hereby and shall be immediately due and payable with interest thereon at the rate specified in the Note secured hereby. Such expenditures and expenses shall include expenditures made in connection with: (a) any proceeding to which Lender shall be a party, either as plaintiff, claimant or defendant, by reason of this mortgage or any indebtedness hereby secured; (b) preparation for the commencement of any suit for foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; (c) preparations for the defense of any threatened suit or proceeding which might affect the property or the security hereof, whether or not actually commenced; (d) any efforts for collection of any past due indebtedness secured hereby. The proceeds of any foreclosure sale of the Property shall be distributed and applied in the following order of priority: first on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in this paragraph; second, all other items which under the terms hereof constitute indebtedness secured by this Mortgage; third, any surplus to Mortgagor, its successors or assigns, as their rights may appear.

(b) Upon or at any time after the filing of a complaint for foreclosure of this Mortgage the Court in which such complaint is filed may appoint Lender as mortgagee in possession or may appoint a receiver of the Property. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency at the time of application 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 Property or whether the same shall be then occupied as a homestead or not. Such

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receiver or mortgagee in possession shall have power to collect the rents, issues and profits of the Property during the pendency of such foreclosure suit, as well as during any further times when Mortgagor, its successors or assigns, 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 Property during the whole of said period. The court from time to time may authorize the receiver or Mortgagee in possession to apply the net income held by either of them in payment in whole or in part of the indebtedness and other sums secured hereby, or in payment of any tax, special assessment or other lien which may be or become superior to the lien hereof or superior to an order foreclosing this Mortgage, provided such application is made prior to foreclosure sale. In case of a judicial sale, the Property, or so much thereof as may then be affected by this Mortgage, may be sold in one parcel.

(21) **Remedies Cumulative.** Each remedy provided shall be exclusive of any other remedy herein or now or hereafter existing by law, and may be exercised concurrently, independently or successively in any order whatsoever. Every power or remedy hereby given to Mortgagor or to Lender or to which either of them may be otherwise entitled, may be exercised from time to time and as often as may be deemed expedient by them, and either of them may pursue inconsistent remedies. If Lender holds any additional security for any obligation secured hereby, Lender may enforce the sale thereof at Lender's option, either before, contemporaneously with, or after the sale is made hereunder, and on any default of Mortgagor, Lender may, at its option, offset against any indebtedness owed hereunder to it by Mortgagor the whole or any part of any indebtedness owing by it to Mortgagor, and the Lender is hereby authorized and empowered at its option, without any further obligation to do, and without affecting the obligations hereof, to apply towards the payment of any indebtedness secured hereby of the Mortgagor to Lender, any and all sums of money belonging to Mortgagor which the Lender may have in its possession or under its control, including, without limiting the generality of the foregoing, any unapplied Funds held by Lender. No offset by Lender hereunder shall relieve Mortgagor from paying installments on the obligation secured hereby as they become due.

(22) **Notice.** Except for any notice required under applicable law to be given in another manner, all notices and other communications required or permitted under this Mortgage shall be in writing and shall be personally delivered or sent by registered or certified mail, return receipt requested, and if mailed shall be deemed received on the third business day after deposit in the mail in the continental United States, postage prepaid, addressed to the party to receive such notice at the address set forth above. Notice of change of address shall be given by written notice in the manner set forth in this paragraph 22.

(23) **Successors and Assigns Bound; Joint and Several Liability; Agents; Captions.** The covenants and agreements herein contained shall bind and the rights hereunder shall inure to, the respective successors and assigns of Lender and Mortgagor, subject to the provisions of Paragraph 19 hereof. All covenants and agreements of Mortgagor shall be joint and several. In exercising any rights hereunder or taking any actions provided for herein, Lender may act through its employees, agents or independent

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contractors as authorized by Lender. The captions and headings of the paragraphs of this instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

(24) **Governing Law; Severability.** The loan secured by this Mortgage is made pursuant to, and shall be construed and governed by, the laws of the State of Illinois and the rules and regulations promulgated thereunder, including the laws, rules and regulations for state chartered banking institutions. If any paragraph, clause or provision of this Mortgage or the note or any other notes or obligations secured by this Mortgage is determined by a Court of competent jurisdiction to be void, invalid or unenforceable, such decision shall affect only those paragraphs, clauses and provisions of this Mortgage or the note or other notes secured by this Mortgage.

(25) **Waiver of Statute of Limitations.** Time is of the essence for all of Mortgagor's obligations hereunder, and to the extent permitted by law, Mortgagor waives all present or future statutes of limitation with respect to any debt, demand or obligation secured hereunder in any action or proceeding for the purpose of enforcing this instrument or any rights or remedies hereunder.

(26) **Injury to Property.** All causes of action of Mortgagor, whether accrued before or after the date of this Mortgage for damages or injury to the Property or any part thereof, or in connection with the transaction financed in whole or in part by the funds loaned to Mortgagor by Lender, or in connection with or affecting the Property, or any part thereof, including causes of action arising in tort or contract and causes of action for fraud or concealment of a material fact, are, at Lender's option, assigned to Lender, and the proceeds thereof shall be paid to Lender who, after deducting therefrom all its expenses, including reasonable attorneys' fees, may apply such proceeds to the sums secured by this Mortgage or to any deficiency under this Mortgage or may release any monies so received by it or any part thereof as Lender may elect. Lender may, at its option, appear in and prosecute in its own name any action or proceeding to enforce any such cause of action and may make any compromise or settlement thereof. Mortgagor agrees to execute any further assignments and other instruments as from time to time may be necessary to effectuate the foregoing provisions and as Lender shall request.

(27) **Offsets.** No indebtedness secured by this Mortgage shall be deemed to have been offset or compensated by all or part of any claim, cause of action, counterclaim or part of any claim, cause of action, counterclaim or crossclaim, whether liquidated or unliquidated, which Mortgagor now or hereafter may have or may claim to have against Lender, and, in respect to the indebtedness now or hereafter secured hereby, Mortgagor waives to the fullest extent permitted by law, the benefits of any applicable law, regulation or procedure which substantially provides that where cross-demands for money have existed between persons at any point in time when neither demand was barred by the applicable statute of limitations, and an action is thereafter commenced by one such person, the other person may assert in his answer the defense of payment in that the two demands are compensated so far as they equal each other, notwithstanding that an independent action asserting his claim would at the time of filing his answer be barred by the applicable statute of limitations.

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(28) **Misrepresentation or Nondisclosure.** Mortgagor has made certain written representations and disclosures in order to induce Lender to make the loan evidenced by the Note or notes which this instrument secures, and in the event that Mortgagor has made any material misrepresentations or failed to disclose any material fact, Lender, at its option and without prior notice, shall have the right to declare the indebtedness secured by this Mortgage, irrespective of the maturity date specified in the Note or notes, immediately due and payable.

(29) **Statement of Obligation.** Lender may collect a fee of \$50.00 or such greater maximum amount as is allowed by law for furnishing any statement of obligation or any other statement regarding the condition of or balance owing under the Note secured by this Mortgage.

(30) **Waiver of Marshalling.** Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. Lender shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Mortgagor, any party who consents to this Mortgage and any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

(31) **Waiver of Homestead.** Mortgagor hereby waives all right of homestead exemption in or relating to such Property.

(32) **Adjustable Mortgage Loan Provisions.** The Note which this Mortgage secures is an adjustable mortgage loan on which the interest rate may be adjusted from time to time in accordance with a monthly increase or decrease in an index all as provided in said Note. From time to time the monthly installment payments due under said Note may not be sufficient to pay all interest due in which case unpaid interest will be added to principal. In no case shall the unpaid interest added to the principal exceed one hundred and fifty percent (150%) of the original principal indebtedness. Mortgagor agrees that at Lender's request it shall provide to Lender additional title insurance to the full amount of the outstanding principal indebtedness due hereunder if the principal indebtedness has increased by reason of negative amortization as provided in the Note.

(33) **Future Advances.** Upon request of beneficial Owner, Lender, at Lender's option prior to release of this Mortgage, may make Future Advances to Beneficial Owner. Such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed the original amount of the Note plus \$100,000.00.

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(34) **Waiver of Right of Redemption.** Mortgagor has been directed by its beneficiary to and hereby does waive any and all rights of redemption from sale under any order of foreclosure of this Mortgage on its own behalf and on behalf of each and every person, except decree or judgment creditors of the Mortgagor acquiring an interest in or title to the Property subsequent to the date of this Mortgage.

(35) **General Provisions.** (a) This Mortgage applies to, inures to the benefit of, and binds, all parties hereto and their heirs, legatees, devisees, administrators, executors, successors and assigns. (b) The term "Lender" shall mean the owner and holder (including a pledgee) of any note secured hereby, whether or not named as Lender herein. (c) Wherever the context so requires, the masculine gender includes the feminine and neuter, the singular number including the plural, and vice versa. (d) Captions and paragraph headings used herein are for convenience only, are not a part of this Mortgage and shall not be used in construing it.

IN WITNESS WHEREOF, MORTGAGOR has executed this Mortgage or has caused the same to be executed by its representatives thereunto duly authorized.

SECURED PARTY:

DEVON BANK, an Illinois
Banking Corporation

MORTGAGOR:

DEVON BANK,
as Trustee, as aforesaid, and
not personally or individually

By:

Rene Kubikaba
Its: *Real Estate Officer*

By:

Bob A. M. app
Its: *Trust Officer*

ATTEST:

Neil A. Hamm
Its: *ASST. TRUST OFFICER*

BENEFICIAL OWNERS:

Robert Babbin
Robert Babbin

Norman Trieger
Norman Trieger

EXHIBIT BY DEVON BANK
DEVON BANK

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THIS document is executed by the Devon Bank, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Devon Bank, hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said note contained shall be construed as creating any liability on the said First Party or on said Devon Bank personally to pay the said note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by Trustee and by every person now or hereafter claiming any right or security hereunder, and that so far as the First Party and its successors and said Devon Bank personally are concerned, the legal holder or holders of said note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created in the manner herein and in said note provided or by action to enforce the personal liability of the guarantor, if any.

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, THE UNDERSIGNED
a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Peter A. May, Trust Officer
of the DEVON BANK, Chicago, Illinois, and Gail A. Hamm,
Assistant Trust Officer

of said Bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Trust Officer and Asst. Tr. Officer respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Bank, as Trustee as aforesaid, for the uses and purposes therein set forth; and the said Asst. Tr. Officer then and there acknowledged that he, as custodian of the corporate seal of said Bank, did affix the corporate seal of said Bank to said instrument as his own free and voluntary act and as the free and voluntary act of said Bank, as Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 27th
day of June, A. D. 1987.

Dan T. Steinhilber
Notary Public.

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