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Cook County Recorder

31.00

MORTGAGE

THIS AGREEMENT, made September 18, 2001, between Mark Clausius and Paulette Clausius, ("Mortgagor") and Charles Gallagher and E & R Coatings, Inc. (collectively referred to as "Mortgagee") witnesseth:



THAT WHEREAS Mortgagor, justly indebted to The Mortgagee in accordance with the Indebtedness And Obligations as defined in the Loan And Security Agreement, dated September 18, 2001 by and between E & R POWDER COATINGS, INC., MARK CLAUSIUS and PAULETTE CLAUSIUS, E & R POWDER COATINGS INC. and CHARLES GALLAGHER.

NOW, THEREFORE, the Mortgagor to secure the Indebtedness and Obligations as defined in the Loan and Security Agreement and in accordance with the terms, provisions and limitations of this mortgage, and the performance of the covenants and agreements herein contained, by the Mortgagor to be performed, and also in consideration of the sum of One Dollar in hand paid, the receipt whereof is hereby acknowledged, do by these presents CONVEY AND WARRANT unto the Mortgagee, and the Mortgagee's successors and assigns, the following described Real Estate and all of their estate, right, title and interest therein, situate, lying and being in the COUNTY OF Cook, IN STATE OF ILLINOIS, to wit:

See Exhibit "A" attached hereto and made a part hereof

this, the property hereinafter described, is referred to herein as the "premises,"
Tax Parcel No.:22-25-105-002

TOGETHER with all improvements, tenements, easements, fixtures, and appurtenances thereto belonging; all further improvements and fixtures, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto and all awards and payments made as a result of the exercise of eminent domain.

The name of a record owner is: **Mark Clausius and Paulette Clausius, as husband and wife**

Initial M.E.G.C.

This mortgage consists of [5 pages]. The covenants, conditions and provisions appearing on pages 2 through 4 are incorporated herein by reference and are a part hereof and shall be binding on the Mortgagor, his heirs, successors and assigns.

Mark Clausius
Mark Clausius

924971-8 (Am)

BOX 314

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Paulette Clausius

Paulette Clausius

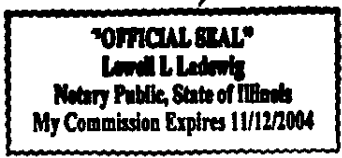
ACKNOWLEDGEMENT

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 MARK CLAUSIUS and PAULETTE CLAUSIUS personally known to me to be the same whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered said instrument as their free and voluntary act, for the uses and purposes herein set forth, including the release and waiver of the right of homestead.

Given under my hand and official seal this 18th day of SEPTEMBER, 2001

Lowell L. Ladewig
Notary Public



This instrument prepared by: A. Thomas Skallas
Childress & Zdeb, Ltd.
6 West Hubbard Street, 5th Floor
Chicago, IL 60610

Mail this instrument to: A. Thomas Skallas
Childress & Zdeb, Ltd.
6 West Hubbard Street, 5th Floor
Chicago, IL 60610

Cook County Clerk's Office

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NOTARIAL SEAL
LAWRENCE J. LAWRENCE
Notary Public, State of Illinois
My Comm. Expires 12/31/2024

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THE COVENANTS, CONDITIONS AND PROVISIONS

1. Mortgagor shall (1) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed; (2) keep said premises in good condition and repair, without waste, and free from mechanic's or other liens or claims for lien not expressly subordinated to the lien thereof; (3) pay when due any indebtedness which may be secured by a lien or charge on the premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to the Mortgagee; and (4) comply with all requirements of law or municipal ordinances with respect to the premises and the use thereof.

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. To prevent default hereunder Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagors may desire to contest.

3. If, by the laws of the United States of America or of any state having jurisdiction in the premises, any tax is due or becomes due in respect of the issuance of the Guaranty hereby secured, the Mortgagor covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor further covenants to hold harmless and agrees to indemnify the Mortgagee, and the Mortgagee's successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the Guaranty secured hereby.

4. Mortgagor shall keep all buildings and improvements now or hereafter situated on said premises insured against loss or damage by fire, lightning and windstorm under policies providing for payment by the insurance companies of moneys sufficient either to pay the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby, all in companies satisfactory to the Mortgagee, under insurance policies payable in case of loss or damage, to Mortgagee, such rights to be evidenced by the standard mortgage clause to be attached to each policy, and shall deliver all policies, including additional and renewal policies, to the Mortgagee, and in case of insurance about to expire, shall deliver renewal policies not less than ten days prior to the respective dates of expiration.

5. In case of default therein, Mortgagee may, but need not, make any payment or perform any act herein before 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 or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorney's 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 payable without notice and with interest thereon at the highest rate now permitted by Illinois law. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to the Mortgagee on account of any default hereunder on the part of the Mortgagor.

6. The Mortgagee making any payment hereby authorized relating to taxes or assessments, may do so according to any bill, statement or estimate procured from the appropriate public office 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.

7. When the indebtedness hereby 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, 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 title insurance 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 immediately due and payable, with interest thereon at the highest rate now permitted by Illinois law, when paid or incurred by Mortgagee in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which the Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this mortgage or any indebtedness hereby secured; or (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (c) preparations for the defense of any actual or threatened suit or proceeding which might affect the premises or the security hereof.

8. 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 incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to evidenced by the Guaranty; third, all principal and interest remaining unpaid on the Note; fourth, any overplus to Mortgagor, his heirs, legal representatives or assigns, as his rights may appear.

9. Upon or any time after the filing of a complaint to foreclose this mortgage the court in which such complaint is filed may appoint receiver of said premises. Such appointment may be made either before or after the 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 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 deficiency, during the full statutory period of redemption, whether there be redemption or not, as well 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, management

and operation of the premises during the whole of said period. The Court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (1) 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; (2) the deficiency in case of a sale and deficiency.

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 hereby secured.

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

12. Mortgagee shall release this mortgage and lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby.

13. 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 and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the note or this mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein and the holder or holders, from time to time, of the Guaranty secured hereby.

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UNOFFICIAL COPY**EXHIBIT A
LEGAL DESCRIPTION**

Lot 2 in Bell Oak Estates, a subdivision of part of the West 1/2 of the Northwest 1/4 of Section 25, Township 37 North, Range 11, East of the Third Principal Meridian, in Cook County, Illinois.

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