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Eugene "Gene" Moore Fee: \$86.00
Cook County Recorder of Deeds
Date: 05/05/2004 08:47 AM Pg: 1 of 12

**CONSTRUCTION LOAN MORTGAGE
ASSIGNMENT OF RENTS
AND SECURITY AGREEMENT
(ADJUSTABLE RATE)**

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THIS MORTGAGE is made this 24th day of March 2004, by and between Rafael L. Cook and Anne Marie Piazza, Individual(s) ("Mortgagor") and Citibank, Federal Savings Bank, a Federal Savings and Loan Association, or its successors and assigns ("Mortgagee").

WITNESSETH:

THAT, WHEREAS, Mortgagor has concurrently herewith executed and delivered a Construction Loan Note bearing even date herewith ("Note") in the principal sum of One Million One Hundred Fifty Thousand & 00/100 Dollars (\$1,150,000.00), made payable to the order of the Mortgagee in and by which the Mortgagor promises to pay (1) any additional advances and escrows, with interest thereon as provided in the Note, made by the Mortgagee to protect the security hereunder, at any time before the release and cancellation of this Mortgage, and (2) the principal sum and interest thereon at the rate and at the times and amounts as provided in the Note, to be applied first to advances and escrows, then to interest, and the balance to principal until the indebtedness is paid in full. All of the principal and interest are made payable at such place as the holders of the Note may, from time to time, in writing designate, and in the absence of such designation, then at the office of CITIBANK, FEDERAL SAVINGS BANK, in Chicago, Illinois.

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NOW, THEREFORE, the Mortgagor to secure (a) the payment of all sums payable under the Note and all sums payable in accordance with the terms, provisions and limitations of this Mortgage; (b) the performance of the covenants and agreements herein contained by the Mortgagor to be performed; and (c) the performance of the covenants and agreements of Mortgagor or its beneficiaries contained in a Construction Loan Agreement ("Construction Loan Agreement") among Mortgagee, Mortgagor and certain other parties thereto (if any), dated of even date herewith, or contained in any other agreements or covenants executed by the Mortgagor or its beneficiaries relating to the loan secured hereby, and also in consideration of the sum of One Dollar (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents MORTGAGE, GRANT, REMISE, RELEASE, ALIEN and CONVEY unto the Mortgagee, its successors and assigns, the following described real estate and all of its estate, right, title and interest therein, situate, lying and being in the City of Chicago, County of Cook, and State of Illinois, to wit:

(SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF)

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more commonly known as: 1915 West Henderson, Chicago, Illinois

and having the real estate index number(s): 14-19-419-017-0000.

which, with the property hereinafter described, is referred to herein as the "Premises".

N. Ashland

TOGETHER with all buildings, improvements, tenements, easements, fixtures and appurtenances thereto belonging, 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 and not secondarily) and all shades, awnings, venetian blinds, screens, screen doors, storm doors and windows, stoves and ranges, curtain fixtures, partitions, attached floor covering, now or hereafter therein or thereon and all fixtures, apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration (whether single units or centrally controlled), and ventilation, including, without limitation, all washing machines, clothes dryers, waste disposal units, attached fans, ducts, automatic dishwashers, and radio and television aerials, all building materials stored or located on the Premises, it being understood that the enumeration of any specific articles of property shall in no wise exclude or be held to exclude any items of property not specifically mentioned. All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall for the purposed of this Mortgage be deemed to be real estate and conveyed and mortgaged hereby.

TO HAVE AND TO HOLD the Premised unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, free from all rights and benefits under any statute of limitation and under the Homestead Exemption Laws of the State of Illinois, which said rights and benefits the Mortgagor does hereby release and waive.

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IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Disbursement of Loan Proceeds for Construction of Improvements

The proceeds of the loan hereby secured are in whole or in part intended to finance construction of improvements and such other matters as are more fully set forth in the Construction Loan Agreement. Mortgagor further covenants and agrees that:

- (a) The improvements to be constructed, erected, altered or remodeled on the Premises shall be completed in accordance with the plans and specifications deposited with Mortgagee, in accordance with all permits issued for the improvements, and in accordance with the Construction Loan Agreement;
- (b) There shall be no stoppage of construction for a period longer than thirty (30) days, except for matters beyond the reasonable control of Mortgagor;
- (c) In any event, said construction shall be completed not later than the date set forth in the Construction Loan Agreement;
- (d) Upon default in any of the covenants in (a), (b) or (c), the Mortgagee may (but need not) exercise either or both of the following remedies:
 - (i) Exercise all remedies set forth in the Construction Loan Agreement;
 - (ii) Declare the entire principal indebtedness of the Note and interest thereon due and payable; and
 - (iii) Complete the construction, alteration or remodeling of said improvements and enter into the necessary contracts therefor. All moneys so expended shall be additional indebtedness secured by this Mortgage, and any moneys expended in excess of the Note shall be payable on demand, with interest at the Default Rate as set forth in the Note;
- (e) The construction of said improvements is and will be in compliance with all governmental regulations, and restrictions and with all zoning and building laws and ordinances of the municipality including all permits issued for such construction in which the Premises are located and with all building restrictions of record, and Mortgagor will furnish satisfactory evidence to Mortgagee of such compliance; and
- (f) The proceeds of the loan secured hereby are to be disbursed by Mortgagee to Mortgagor in accordance with the provisions contained in one or more of (i) the application for loan, (ii) the commitment for loan, as defined and described in the Construction Loan Agreement, and (iii) the Construction Loan Agreement. Said application, commitment and Construction Loan Agreement are hereinafter collectively referred to as "Loan Agreement". All disbursements, advances, and indebtedness arising and accruing under the Loan Agreement from time to time, whether or not the total amount thereof may exceed the face amount of the Note, shall be secured hereby to the same extent as though said Loan Agreement were fully incorporated in this Mortgage and the occurrence of any event of default under said Loan Agreement shall constitute a default under this Mortgage entitling Mortgagee to all of the rights and remedies conferred upon the Mortgagee by the terms of this Mortgage (including those set forth in subparagraph (d) of this paragraph 1) or by law, as in the case of any other default.

2. Payment of Principal and Interest

Mortgagor shall promptly 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 owing under the Note, the Loan Agreement or this Mortgage, or secured by this Mortgage.

3. Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, Etc.

Unless otherwise provided in the Construction Loan Agreement, the Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (b) keep the Premises in good condition and repair, without waste and free from mechanics' liens or other liens or claims for liens not expressly subordinated to the lien hereof; (c) 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 Mortgagee; (d) complete within a reasonable time any building or buildings now or at any time in process of erection upon the Premises; (e) comply with all requirements of law, municipal ordinances or restrictions of record with respect to the Premises and the use thereof; (f) not suffer or permit change in the general nature of the occupancy of the Premises, without Mortgagee's written consent; (g) not initiate or acquiesce in zoning reclassification, without Mortgagee's written consent; (h) not suffer or permit any unlawful use of or any nuisance to exist upon the Premises; (i) not diminish or impair the value of the Premises or the security intended to be effected by virtue of this

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Mortgage by any act or omission to act; (j) appear in and defend proceeding which in the opinion of the Mortgagee affects its security and hereunder, and pay all costs, expenses and attorneys' fees incurred or paid by the Mortgagee in any proceeding in which Mortgagee may participate in any capacity by reason of this Mortgage; (k) not suffer or permit, without Mortgagee's written consent, (i) any alterations, additions to, demolition or removal of any of the improvements, apparatus, fixtures or equipment now or hereafter upon the Premises, (ii) a sale, assignment or transfer of any right, title or interest in and to any of the improvements, apparatus, fixtures or equipment which may be found in or upon the Premises, (iii) any change in the nature or character of the operation of the Premises which will increase the intensity of the use thereof, or (iv) a change or alteration of the exterior and interior structural arrangement of any improvements on the Premises, including, without limitation, any change or alteration of any walls, rooms or halls.

4. Sale or Transfer of Premises or Interest Therein

Mortgagor agrees and understands that it shall constitute an event of default under this Mortgage and the Note entitling the remedies in the Mortgage and Note to be exercised if (a) the Mortgagor, or any beneficiary of the Mortgagor, shall convey title to, or beneficial interest in, or otherwise suffer or permit any equitable or beneficial interest in the Premises to become vested in any person or persons, firm or corporation or other entity other than the Mortgagor or the present beneficiary or beneficiaries, (b) unless otherwise provided in the Construction Loan Agreement, any lien or security interest attaches to the Premises or the beneficial interest in the Premises other than the lien of this Mortgage (excluding taxes and assessments not yet due and payable), (c) any articles of agreement for deed or other installment contract for deed, title or beneficial interest or land contract in the Premises are entered into, or (d) any partnership interest in Mortgagor (if Mortgagor is a partnership) or in any partnership owning all or a portion of the beneficial interest in Mortgagor is conveyed, transferred, or hypothecated, in whole or in part, or (e) any stock in Mortgagor (if Mortgagor is a corporation), or in any corporation owning all or a portion of the beneficial interest in Mortgagor is conveyed, transferred, or hypothecated, in whole or in part.

5. Insurance

Mortgagor shall keep all buildings and improvements now existing or hereafter erected on the Premises insured by carriers at all times satisfactory to Mortgagee against loss by fire, hazards included within term "Extended coverage", rent loss and such other hazards, casualties, liabilities and contingencies as Mortgagee shall require and in such amounts and for such periods as Mortgagee shall require and as more fully detailed in the Loan Agreement. All premiums on insurance policies shall be paid, at Mortgagee's option, in the manner provided under paragraph 6 hereof, or by Mortgagor making payment, when due, directly to the carrier, or in such other manner as Mortgagee may designate in writing.

All insurance policies and renewals thereof shall be in a form acceptable to Mortgagee and shall include a standard mortgage clause in favor of and in form acceptable to Mortgagee. Mortgagee shall have the right to hold the policies and Mortgagor shall promptly furnish to Mortgagee all renewal notices and all receipts of paid premiums. At least thirty (30) days prior to the expiration date of a policy, Mortgagor shall deliver to Mortgagee a renewal policy information satisfactory to Mortgagee.

In the event of loss, Mortgagor shall give immediate written notice to the insurance carrier and to Mortgagee. Mortgagor hereby authorizes and empowers Mortgagee 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, and to deduct therefrom Mortgagee's expenses incurred in the collection of such proceeds; provided however, that nothing contained in this paragraph shall require Mortgagee to incur any expense or take any action hereunder. Mortgagor further authorizes Mortgagee, at Mortgagee'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 Premises or (b) to apply the balance of such proceeds to the payment of the sums secured by this Mortgage, whether or not then due.

If the insurance proceeds are held by Mortgagee to reimburse Mortgagor for the costs of restoration and repair of the Premises, the Premises shall be restored to the equivalent of its original condition or such other condition as Mortgagee may approve in writing. Mortgagee may, at its option, condition disbursement of said proceeds on Mortgagee's approval of such plans and specifications of an architect satisfactory to Mortgagee, contractor's construction estimates, architect's certificates, waivers of liens, sworn statements of mechanics and materialmen and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Mortgagee 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 the Note or change the amounts of such installments. If the Premises is sold or Mortgagee acquires title to the Premises, Mortgagee shall have all of the right, title and interest of Mortgagor in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Premises prior to such sale or acquisition.

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Insurance Requirements Under Construction Loan Agreement. Mortgage shall keep, maintain, and provide all insurance set forth in the Construction Loan Agreement.

Placement of Collateral Protection Insurance. Unless Borrower provides Lender with evidence of the insurance coverage required by Borrower's agreements with Lender, including the Construction Loan Agreement, Lender may purchase insurance at Borrower's expense to protect Lender's interests in Borrower's collateral. This insurance may, but need not protect Borrower's interests. The coverage that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the Premises and the collateral. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained insurance as required by Borrower's and Lender's agreement. If Lender purchases insurance for the collateral, Borrower will be responsible for the costs of that insurance, including interest and any other charges Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to Borrower's total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance Borrower may be able to obtain on its own.

6. Funds for Taxes, Insurance and Other Charges

Subject to Illinois law or to a written waiver by Mortgagee, Mortgagor shall pay to Mortgagee on the day monthly installments of principal or interest are payable under the Note (or on another day designated in writing by Mortgagee), until the Note is paid in full, a sum (herein "Funds") equal to one twelfth of (a) the yearly taxes and assessments which may be levied on the Premises; (b) the yearly ground rents, if any; (c) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Premises as Mortgagee may require pursuant to paragraph 5 hereof; and (d) the yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Mortgagee on the basis of assessments and bills and reasonable estimates thereof. Any waiver by Mortgagee of a requirement that Mortgagor pay such Funds may be revoked by Mortgagee, in Mortgagee's sole discretion, at any time upon notice in writing to Mortgagor. Mortgagee may require Mortgagor to pay Mortgagee, in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Mortgagor or the Premises which Mortgagee shall reasonably deem necessary to protect Mortgagee's interest (herein "Other Impositions"). Unless otherwise provided by Illinois law, Mortgagee may require Funds for Other Impositions to be paid by Mortgagor in a lump sum or in periodic installments, at Mortgagee's option. Failure of Mortgagor to pay any of the aforesaid monthly deposits after they are due shall be an event of default under this Mortgage, in which event all remedies under this Mortgage may be immediately exercised by the Mortgagee.

The Funds shall be held by Mortgagee and Mortgagee shall apply the Funds to pay said rents, taxes, assessments, insurance premiums and Other Impositions so long as Mortgagor is not in breach of any covenant or agreement in this Mortgage or any of the other Loan Documents. Mortgagee shall make no charge for so holding and applying the Funds, for analyzing said account or for verifying and compiling said assessments and bills, unless Mortgagee pays Mortgagor interest, earnings or profits on the Funds. Mortgagee shall not be required to pay Mortgagor any interest earnings or profits on the Funds. Mortgagee shall give to Mortgagor, without charge, an annual accounting of the Funds in the Mortgagee's normal 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 sums secured by this Mortgage.

If the amount of the Funds held by Mortgagee at the time of the annual accounting shall exceed the amount deemed necessary by Mortgagee to provide for the payment of taxes, assessments, insurance premiums, rents and Other Impositions, as they fall due, such excess shall be at Mortgagee's option, either promptly repaid or credited to Mortgagor on the next monthly installment or installments of Funds due. If at any time the amount of the Funds held by Mortgagee shall be less than the amount deemed necessary by Mortgagee to pay taxes, assessments, insurance premiums, rents and Other Impositions as they fall due, Mortgagor shall pay to Mortgagee any amount necessary as reasonably determined by Mortgagee, to make up the deficiency within ten (10) days after notice from Mortgagee to Mortgagor requesting payment thereof.

Lender may, at any time, collect and hold Funds and Other Impositions in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA (RESPA means the Real Estate Settlement Procedures Act, 12 U.S.C. §2601 et seq. and its implementing requirement, Regulation X at 24 C.F.R. Part 3500 as they might be amended from time to time or any additional or successor legislation or regulation that governs the same subject matter). Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future items or otherwise in accordance with any Illinois law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the escrow items no later than the time specified under RESPA. Lender shall not charge Mortgagor for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Mortgagor interest on the Funds and

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Illinois law permits Lender to make such a charge. Unless an agreement is made in writing or Illinois law requires interest to be paid on the Funds, Lender shall not be required to pay Mortgagor any interest or earnings on the Funds. Mortgagor and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Mortgagor, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held, as defined under RESPA, Lender shall account to Mortgagor for the excess funds in accordance with RESPA. If there is a shortage of funds held, as defined under RESPA, Lender shall notify Mortgagor as required by RESPA, and Mortgagor shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held, as defined under RESPA, Lender shall notify Mortgagor as required by RESPA, and Mortgagor shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

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

7. Prepayment Privilege

At such time as the Mortgagor is not in default either under the terms of the Note or under the terms of this Mortgage, the Mortgagor shall have such privilege of making prepayments on the principal of the Note (in addition to the required payments) as may be provided in Note, and in accordance with the terms and conditions set forth in the Note.

8. Effect of Extensions of Time

If the prepayment of said indebtedness or any part thereof by extended or varied or if any part of the security be releases, all persons now or any time hereafter liable thereof, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions in reof shall continue in full force, the right of recourse hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding such extension, variation or release.

9. Mortgagee's Performance of Defaulted Acts

In case of default herein, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Mortgagee, 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 the 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 Premises and the lien hereof, shall be additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the rate of interest then applicable to the indebtedness secured by this Mortgage. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor.

10. Acceleration of Indebtedness

If (a) the Mortgagor shall fail to pay when due any sums secured by this Mortgage in accordance with the terms of the Note; (b) the Mortgagor or its beneficiary shall file a petition in voluntary bankruptcy under the United States Bankruptcy Code or any similar law, state or federal, or an answer admitting insolvency or inability to pay its debts, or fail to obtain a vacation or stay of involuntary proceedings within ten (10) days, as hereinafter provided; (c) the Mortgagor or its beneficiary shall be adjudicated a bankrupt, or a trustee or a receiver shall be appointed for the Mortgagor or its beneficiary of for all of its property or the major part thereof in any involuntary proceeding, or any court shall have taken jurisdiction of the property of the Mortgagor or its beneficiary or the major part thereof in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of the Mortgagor or its beneficiary and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within ten (10) days; (d) the Mortgagor or its beneficiary shall make an assignment for the benefit of Creditors, or shall admit writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all of its property or the major part thereof; or (e) default shall be made in the due observance or performance of any other of the covenants, agreements or conditions in the Note, Loan Agreement or herein contained and the same shall continue for three (3) days, then and in every such case the whole of said principal sum hereby secured shall, at once, at the option of the

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Mortgagee, become immediately due and payable, together with accrued interest thereon, without notice to Mortgagor, with all such unpaid amounts thereafter accruing at the default rate of interest as provided in the Note.

11. Remedies Cumulative

Each remedy provided in this Mortgage is distinct and cumulative to all other rights or remedies under the Mortgage or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

12. Assignment of Rents and Leases

To further secure the indebtedness secured hereby, Mortgagor hereby absolutely and unconditionally sells, assigns and transfers to Mortgagee all the rents, issues and profits now due and which may hereafter become due by virtue of any lease or other agreement for the occupancy of use of all or any part of the Premises, it being intended by Mortgagor and Mortgagee that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Mortgagor hereby authorizes Mortgagee to collect the aforesaid rents, issues and profits and hereby directs each lessee of the Premises to pay such rents to Mortgagee; provided, however, prior to any breach by Mortgagor of any covenant or agreement in this Mortgage, Mortgagor shall collect and receive all such rents, issues and profits of the Premises as trustee for the benefit of Mortgagee and Mortgagor, and shall apply all such rents, issues, and profits so collected to the sums secured by this Mortgage.

The Mortgagor hereby covenants that (a) Mortgagor has not executed any prior assignment of said rents; and (b) Mortgagor has not performed, and will not perform any acts, and has not executed, and will not execute any instrument which would prevent Mortgagee from exercising its rights hereunder; and (c) Mortgagor has not collected and will not collect rents of the Premises for more than one installment in advance; Mortgagor further covenants that it will execute and deliver to Mortgagee all future leases upon all or any part of the Premises and all such further assurances and assignments in the Premises as Mortgagee may from time to time request.

13. Observance of Lease Assignment

In the event the Mortgagor, as additional security for the payment of the indebtedness described in and secured hereby, sells, transfers and assigns to the Mortgagee, its successors and assigns, any interest of the Mortgagor as lessor in any lease or leases, the Mortgagor expressly covenants and agrees that if the lessee or any of the lessees under said lease or leases so assigned, or the Mortgagor, as lessor therein, shall fail to perform and fulfill any term, covenant, condition or provision in said lease or leases, at the times and in the manner in said lease or leases provided, or if Mortgagor shall suffer or permit to occur any breach or default under the provisions of any assignment of any lease or leases of the Premises given as additional security for the payment of the indebtedness secured hereby and such default shall continue for three (3) days, then and in any such event, such breach or default shall constitute a default hereunder and at the option of the Mortgagee, and without notice to the 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 as in the case of other defaults.

14. Lender's Possession

Upon Mortgagor's breach of any covenant or agreement in this Mortgage, and upon demand of Mortgagee, Mortgagor shall surrender and Mortgagee may enter upon and take and maintain full control of the Premises in order to perform all acts necessary and appropriate for the operation and maintenance thereof.

The Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases, and the Mortgagor shall and does hereby agree to indemnify and hold the Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof. Should the Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby and the Mortgagor shall reimburse the Mortgagee therefor immediately upon demand.

15. Application of Income Received by Mortgagee

The Mortgagee in the exercise of the rights and powers hereinabove conferred upon it by paragraph 12 hereof shall have full power to use and apply the rents, issues and profits of the Premises to the payment of or on account of the following in such order as the Mortgagee may determine:

- (a) to the payment of the operating expenses of said property, including cost of management and leasing thereof, established claims for damages, if any, and premiums on insurance hereinabove authorized;

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- (b) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises;
- (c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of said Premises, and of placing said property in such condition as will, in the judgment of the Mortgagee, make it readily rentable; and
- (d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale pursuant hereto or of the Premises.

16. Appointment of Receiver

Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises without bond and the Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit during the full statutory period of redemption, if any, during any period in which a deficiency remains outstanding and 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.

17. 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 Premises, which, under Illinois law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Mortgagor hereby grants Mortgagee a security interest in said items. The property covered by this Mortgage includes the Premises previously described or referred to in this Mortgage, together with the following, all of which are referred to in this Section as the "Property." The portion of the Property that constitutes real property is sometimes referred to as the "Real Property." The portion of the Property which constitutes personal property is sometimes referred to as the "Personal Property," and is described as follows: (i) Mortgagor's right to possession of the Property; (ii) any and all fixtures, machinery, equipment, 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 the Property or the Improvements, and all replacements of any accessions to those goods; (iii) proceeds and products of the Personal Property; and (iv) all contracts, permits, deposits, or claims related to the Improvements, as Improvements are defined in the Construction Loan Agreement. Despite any other provision of this Mortgage or any other Loan Documents, however, Lender is not granted, and will not have, a non-purchase money security interest in household goods, to the extent that such a security interest would be prohibited by Illinois law.

This Mortgage is and shall be a security agreement granting Lender a first and prior security interest in all of Mortgagor's right, title, and interest in and to the Personal Property, under and within the meaning of Illinois law, as well as a document granting a lien upon and against the Real Property. In the event of any foreclosure sale, all of the Real Property and Personal Property may, at the option of Lender, be sold as a whole or in parcels. It shall not be necessary to have present at the place of such sale the Personal Property or any part thereof. Lender shall have all the rights, remedies, and recourse with respect to the Personal Property afforded to a "Secured Party" by Illinois law in addition to and not in limitation of the other rights and remedies afforded Lender under this Mortgage. Mortgagor shall, upon demand, pay to Lender the amount of any and all expenses, including the fees and disbursements of Lender's legal counsel and of any experts and agents, which Lender may incur in connection with: (i) the making and/or administration of this Mortgage; (ii) the custody, preservation, use, or operation of, or the sale of, collection from, or other realization upon any Property, Real and/or Personal, described in this Mortgage; (iii) the exercise or enforcement of any of the rights of Lender under this Mortgage; or (iv) the failure by Mortgagor to perform or observe any of the provisions or covenants in this Mortgage.

Lender may, at its election, at any time after the delivery of this Mortgage, sign one or more copies of this Mortgage in order that such copies may be used as a financing statement under Illinois law. Lender's signature need not be acknowledged, and is not necessary to the effectiveness hereof as a Mortgage, a security agreement, or (unless otherwise required by Illinois law) a financing statement.

Mortgagor also authorizes Lender to sign and file, without Mortgagor's signature, such financing and continuation statements, amendments, and supplements thereto, and other documents that Lender may from time to time deem necessary to perfect, preserve, and protect Lender's security interest in the Property. If any other documents are necessary to protect Lender's interest in the Property, Mortgagor agrees to sign these documents whenever Lender asks. Mortgagor also gives Lender permission to sign these documents for Mortgagor.

Mortgagor further agrees that Mortgagee may file this Mortgage, or a reproduction hereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Premises. Any reproduction of this Mortgage or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition,

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Mortgagor agrees to execute and deliver to Mortgagee, upon Mortgagee's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Mortgage in such form as Mortgagee 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 Mortgagee may reasonably require. Without the prior written consent of Mortgagee, Mortgagor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interests in said items, including replacements and additions thereto. Upon Mortgagor's breach of any covenant or agreement contained in this Mortgage, including the covenants to pay when due all sums secured by this Mortgage, Mortgagee shall have the remedies of a secured party under the Uniform Commercial Code and, at Mortgagee's option, may also invoke the remedies provided in this Mortgage as to such items. In exercising any of said remedies, Mortgagee may proceed against the items of real property and any items of personal property specified above as part of the Premises separately or together and in any order whatsoever, without in any way affecting the availability of Mortgagee's remedies under the Uniform Commercial Code or of the remedies provided in this Mortgage.

18. Mortgagee's Right of Inspection

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

19. Late Charge

In the event the Mortgagee shall, from time to time, accept payment of any installment required on the Note and under this Mortgage which is in arrears, Mortgagee may collect a "late charge" as provided for in the Note to cover the extra expense involved in handling delinquent payments; provided, however, that nothing in this paragraph contained shall authorize the Mortgagee to collect or demand any payment which would result in the imposition of interest in excess of the maximum amount allowed by law.

20. Condemnation

Mortgagor hereby assigns, transfers and sets over to the Mortgagee the entire proceeds of any award or any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation. Mortgagee may elect to apply the proceeds of the award upon or in reduction for the indebtedness secured hereby, whether due or not, or to require Mortgagor to restore or rebuild, in which event the proceeds shall be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoring of building or improvements on said Premises, in accordance with plans and specifications to be submitted to and approved by Mortgagee. In the event Mortgagor is required or authorized, by Mortgagee's election as aforesaid to rebuild or restore, the proceeds of the award shall be paid out in the same manner as is provided in paragraph 6 hereof for the payment of insurance proceeds toward the cost of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of rebuilding or restoring, Mortgagor shall pay such cost in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any other party entitled thereto. In applying the proceeds of any award on account of the indebtedness secured hereby, Mortgagee shall be entitled to collect, out of the proceeds of the award, a premium on the amount prepaid, at the same rate as though Mortgagor had elected at the time of such application of proceeds (or if Mortgagor then has no such election, at the first succeeding date on which Mortgagor could so elect) to repay the indebtedness in accordance with the terms of the Note secured hereby.

21. Release Upon Payment and Discharge of Mortgagor's Obligations

Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment of a reasonable fee to Mortgagee for the preparation and execution of such release.

22. Giving of Notice

Any notice which either party hereto may desire or be required to give to the other party shall be in writing and the mailing thereof by certified mail, postage prepaid, addressed to the Mortgagor at 1144 West Wrightwood, Chicago, or to the Mortgagee, at its principal office in Chicago, Illinois, to the attention of the office of the manager in charge of residential rehabilitation loans and specifying the loan number, or at such other place within the United States as any party hereto may by notice in writing designate as a place for service of notice shall constitute service of notice hereunder. Any notice given shall be deemed given on the date the same is deposited in the United States mail.

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23. Waiver of Defense

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.

24. Waiver of Statutory Rights

Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption 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, 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. THE MORTGAGOR HEREBY WAIVES ANY AND ALL RIGHT OF REDEMPTION FROM SALE UNDER ANY ORDER OR DECREE OF FORECLOSURE, PURSUANT TO RIGHTS HEREIN GRANTED, ON BEHALF OF THE MORTGAGOR, THE TRUST ESTATE, IF ANY, AND ALL PERSONS BENEFICIALLY INTERESTED THEREIN, AND EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN, OR TITLE TO, THE PREMISES DESCRIBED HEREIN SUBSEQUENT TO THE DATE OF THIS MORTGAGE, AND ON BEHALF OF ALL OTHER PERSONS TO THE EXTENT PERMITTED BY THE PROVISIONS OF THE ILLINOIS STATUTES.

25. Mortgagee's Lien for Service Charges and Expenses

At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of any and all loan commissions, service charges, liquidated damages, expenses and advances due to or incurred by the Mortgagee in connection with the loan to be secured hereby, all in accordance with the application and loan commitment issued in connection with this transaction.

26. Construction Mortgage and Non-Revolver

This Mortgage secures an obligation incurred for rehabilitation/construction on the Premises as described in the Construction Loan Agreement, and, therefore, constitutes a construction mortgage. In the event that the Mortgagor repays all or any portion of the Loan secured by this Mortgage, Lender shall have no obligation to re-disburse or advance any amounts so repaid.

27. Mortgagor's Right to Reinstate After Acceleration

If Mortgagor meets certain conditions, Mortgagor shall have the right, unless same is permitted to be waived and Mortgagor has done so pursuant to Section 24, to have enforcement of this Mortgage discontinued at any time prior to the earliest of: (a) five days before sale of the Premises pursuant to Section 10 of this Mortgage; (b) such other period as Illinois law might specify for the termination of Mortgagor's right to reinstate; or (c) entry of a judgment enforcing this Mortgage. Those conditions are that Mortgagor: (a) pays Lender all sums which then would be due under this Mortgage and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements, including the Construction Loan Agreement; (c) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Premises and rights under this Mortgage; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Premises and rights under this Mortgage, and Mortgagor's obligation to pay the sums secured by this Mortgage, shall continue unchanged unless as otherwise provided under Illinois law. Lender may require that Mortgagor pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check, or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) electronic funds transfer. Upon reinstatement by Mortgagor, this Mortgage and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 4.

28. Binding On Successors and Assigns

The lien of this Mortgage and all of the provisions and conditions contained herein shall extend to and be binding upon all successors and assigns of the Mortgagor. 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 Note secured hereby.

29. Captions

The captions and headings of various paragraphs of this Mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

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IN WITNESS WHEREOF, Mortgagor has executed this Construction Loan Mortgage, Assignment of Rents and Security Agreement on the day and year first above written.

MORTGAGOR:

(Individuals)

Rafael L. Cook
 Rafael L. Cook
Anne Marie Piazza
 Anne Marie Piazza

(Corporation)

A(n) _____
 By: _____
 Title: _____

(Partnership)

A(n) _____ Partnership
 By: _____
 By: _____
 By: _____
 By: _____
 By: _____
 By: _____
 General partner(s), on behalf of the aforesaid Partnership.

ATTEST:

Secretary

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STATE OF ILLINOIS)
) SS.
COUNTY OF Cook)

I, Judith Tigerman, a Notary Public in and for the County and State aforesaid, do hereby certify that Rafael L. Cook + Anne Marie personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that (he)(she) signed and delivered the said instrument as (his)(her) own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under by hand and notarial seal, this 16th day of April, 2004

Judith Tigerman
Notary Public
My Commission Expires: 9/27/05



Office of Cook County Clerk's Office

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EXHIBIT A TO CONSTRUCTION LOAN MORTGAGE

LOT 54 AND THE EAST ½ OF LOT 55 IN GROSS PARK SECOND ADDITION TO CHICAGO, A SUBDIVISION OF BLOCK 40 IN OGDEN AND OTHERS SUBDIVISION IN SECTION 19, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

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