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MAIL TO:

Daniel K. McGovern
920 S. Broadway
Park Ridge, IL 60068

Doc#: 0432818122
Eugene "Gene" Moore Fee: \$36.50
Cook County Recorder of Deeds
Date: 11/23/2004 10:28 AM Pg: 1 of 7

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on November 10, 2004 by the Mortgagor, PAUL LEONGAS (hereinafter "Borrower"). This Security Instrument is given to DANIEL K. McGOVERN, (hereinafter "Lender"). Borrower is indebted to Lender in the principal sum of ONE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$ 185,000.00). This debt is evidenced by Borrower's Note dated the same date as this Security Instrument (hereinafter "Note"), which provides that the interest stipulated in the Note shall accrue and be due and payable on February 28, 2005. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications thereof, (b) the payment of all other sums, with interest, advanced hereunder to protect the collateral pledged by this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note and any and all other agreements between Borrower and Lender including but not limited to Loan Agreements and Security Agreements. For this purpose Borrower does hereby mortgage, warrant, grant and convey to Lender the following described property located in Cook County, Illinois:

LOT 27 IN AUGUST S. WEHRHEIM'S SUBDIVISION OF THE SOUTH ½ OF BLOCK 6 (except the west 250 feet thereof) IN THE SUBDIVISION OF THAT PART LYING NORTH EAST OF LINCOLN AVENUE OF THE NORTHWEST ¼ OF SECTION 29, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 14-29-114-035

Address: 1330 W. Wellington, Chicago, Illinois

TOGETHER WITH:

- A. All right, title and interest of Borrower, including any after acquired title or reversion, remainder, all and singular tenements, hereditaments, easements, appurtenances, and other rights, and privileges thereof or in anyway now or hereafter appertaining, and any other claim at law or in equity.
- B. All of Borrower's interest and rights (a) as lessor in all leases now or hereafter affecting the real estate, (b) all compensation for the loss of or damage to the Premises under all present and future fire and other hazard insurance policies pertaining to the Premises, (c) any and all sums at anytime on deposit with, for the benefit of or held by Borrower, and (d) all awards paid in any condemnation, eminent domain, or similar proceeding.
- C. All buildings and improvements of every kind and description now or hereafter erected or placed on said premises, and all fixtures and personal property now or hereafter owned by Borrower and attached to or contained in and used in connection with the Premises.

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BORROWER Covenants, Represents and Warrants that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, warrant, grant and convey the Property and that, except for the first mortgage lien, the Property is unencumbered. Borrower warrants and will defend generally the title to the Property against all claims and demands. *and second*

BORROWER further Covenants, Warrants and Agrees as follows:

1. Borrower shall pay promptly when due the principal and interest on the indebtedness evidenced by the Note and any extensions or modifications or renewals thereof, in whole or in part, and any and all other sums which may be at anytime due or required to be paid as set forth herein or as set forth in the Note.
2. Borrower shall immediately pay, when due and owing, all general taxes, real estate taxes, special taxes, special assessments, water charges, sewer service charges, utility charges, and all other charges of whatever kind, which may be levied or imposed against the Premises, and shall furnish to Lender upon request official receipts therefore within thirty (30) days after payment thereof
3. Borrower shall keep the Premises and all buildings and improvements now or hereafter situated on the Premises insured against loss or damage by fire and extended coverage, malicious mischief and vandalism and such other hazards in such amounts as may reasonably be required by Lender for the full insurable value thereof, but in any case in such amounts as to negate the Borrower being a coinsurer in the event of the occurrence of a fire or other insurance casualty. Borrower shall also provide and keep in effect comprehensive public liability insurance with such limits for personal injury and death and property damage as Lender may reasonably require, and will also keep in effect upon the request of Lender, rent loss insurance, and/or business interruption insurance, employer's liability and workmen's compensation insurance.
4. Borrower shall, subject to the provisions hereof, restore and rebuild any buildings improvements now or at anytime upon said property and destroyed by fire or other casualty so as to be of at least equal value and substantially the same character as prior to such damage or destruction. In any case, where the insurance proceeds are made available for rebuilding and restoration, such proceeds shall be disbursed upon the disbursing party being furnished with satisfactory evidence of the estimated cost of completion thereof and with architects certificates, waivers of lien, contractors and sub-contractors sworn statements and other evidence of cost and payment so that the disbursing party can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of mechanics lien claims.
5. Borrower shall promptly pay off and discharge all accrued interest, penalties (if any), costs and charges incidental to any first or second mortgages which may secure the property and in the event that Borrower fails to discharge such other mortgage obligation(s), then Lender may pay off any such obligations to protect its security interest and add such payments to the balance due and owing hereunder.
6. Borrower shall comply with all statutes and ordinances, of any federal, state or municipal authority applicable to the premises (including, but not limited to, zoning ordinances, variances, and nonconforming uses applicable to the Premises). Borrower shall perform all covenants and conditions under any recorded document or any other agreement of any nature whatsoever binding upon it which pertains to the Premises.

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7. Borrower shall keep the Premises free from liens of mechanics and materialmen and from all other liens, charges, and encumbrances of whatever nature superior or equal in priority to the lien of this Mortgage, regardless of whether the same arise voluntarily or involuntarily, and shall not commit waste thereto.
8. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is any legal proceeding that may affect Lender's rights in the Property, then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action hereunder, it need not, and any action shall be in its sole and absolute discretion. Any amounts disbursed by Lender hereunder shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon demand from Lender to Borrower requesting payment.
9. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower reasonable notice at the time of or prior to an inspection.
10. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned to and shall be paid to Lender. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, all proceeds shall be paid to Lender and the sums secured by this Security Instrument shall be reduced by the amount of the proceeds. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date the notice is given, Lender is authorized to collect and apply the proceeds at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to herein or in the Note secured hereby.
11. Any extension of the time for payment or other modification hereof or of the Note secured by this Security Instrument granted by Lender to Borrower shall not operate to release the liability of the Borrower.
12. This Security Instrument shall be governed by the law of the State of Illinois. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable. Notwithstanding the foregoing, if enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies set forth herein or in the Note.
13. Borrower, without any cost and expense to Lender, shall (i) at all times perform all material covenants, conditions and agreements contained in all leases of the Premises, if any, on the part of the landlord thereunder to be kept and performed, (ii) enforce all of the material covenants, conditions and agreements of such leases on the part of the lessees to be kept and performed. Any material default by Lessor in Lessors' obligation in a lease, or under

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any Assignment of Rents given as additional security for the indebtedness secured hereby, shall constitute a default hereunder on account of which the whole of the indebtedness secured hereby shall at once, at the option of the Lender, become immediately due and payable without notice to the Borrower subject to any applicable grace period. Nothing in this Mortgage or in any other documents relating to the loan secured hereby shall be construed to obligate Lender, expressly or by implication, to perform any of the covenants of Borrower, as landlord, tenant or assignor, under any of the leases assigned to Lender or to pay any sum of money or damages therein provided to be paid by the landlord or landlord's assignee, each and all of which covenants and payments Borrower agrees to perform and pay, and further agrees to indemnify and to hold Lender harmless there from.

14. Lender, without notice, and without regard to the consideration, if any, paid therefore, and notwithstanding the existence at that time of any inferior liens, may, in its sole discretion, release any part of the Premises or any person liable for any indebtedness secured hereby, whether as co-maker or guarantor, without in anyway affecting the liability of any party to the Note and this Mortgage and without in any way affecting the priority of the lien of this Mortgage. Such agreement shall not, in anyway, release or impair the lien created by this Mortgage, or reduce or modify the liability, if any, of any person or entity remaining personally obligated to pay the indebtedness secured hereby.

15. Any costs, damages, expenses or fees, including reasonable attorneys' fees, incurred by Lender in connection with (i) sustaining the lien of this Mortgage or its priority (ii) protecting or enforcing any of Lender's rights hereunder, (iii) recovering any indebtedness secured hereby, shall be so much additional indebtedness secured hereby and shall be immediately due and payable by Borrower on demand, with interest thereon at a rate set forth in the Note.

~~16. In order to further secure said indebtedness, and as a part of the consideration therefore, the Borrower hereby assigns, transfers and sets over unto Lender, and/or its successors and assigns, all the rents now due or which may hereafter become due under or by virtue of any lease, either oral or written, or any letting of, or any agreement for the use or occupancy of any part of the premises herein described, which may have been heretofore or may be hereafter made or agreed to, or which may be made or agreed to by the Lender under the power herein granted, it being the intention hereby to establish an absolute transfer and assignment of all such leases and agreements and all the avails thereunder unto the Lender and especially those certain leases and agreements now existing on the property hereinabove described. Borrower hereby irrevocably appoints the said Lender the agent of the Borrower for the management of said property, and does hereby authorize the Lender to let and re-let said premises or any part thereof, according to its own discretion, and to bring or defend any suits in connection with said premises, in its own name or in the names of the Borrower, as it may consider expedient, and to make such repairs to the premises as it may deem proper or advisable, and to do anything in and about said premises that the Borrower might do, hereby ratifying and confirming anything and everything that the said Lender may do. It is understood and agreed that the Lender shall have the power to use and apply said avails, issues and profits toward the payment of any present or future indebtedness or liability of the Borrower to the Lender, due or to become due, or that may hereafter be contracted, and also toward the payment of all expenses for the care and management of said premise including taxes, insurance, assessments, usual and customary commissions to a real estate broker for leasing said premises and collecting rents and the expense for such attorneys, agents, and servants as may reasonably be necessary.~~

~~It is understood and agreed that the Lender will not exercise its right under this assignment unless default shall occur hereunder, or under the terms of the Note secured hereby, the terms of which are hereby incorporated herein. It is further understood and agreed, that in the event of the exercise of this assignment, the Borrower will pay rent for the~~

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premises occupied by the Borrower at the prevailing rate per month therefore, and a failure on the part of the Borrower to promptly pay said rent on the first day of each and every month shall, in and of itself constitute a forcible entry and detainer and the Lender may in its own name and without any notice or demand, maintain an action of forcible entry and detainer and obtain possession of said premises. This assignment shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto and shall be construed as a Covenant running with the land, and shall continue in full force and effect until all of the indebtedness or liability of the Borrower to the said Lender shall have been fully paid, at which time this assignment shall terminate.

17. It shall constitute an event of default under this Mortgage when (i) any default occurs in the payment, when due, of the principal and interest on the indebtedness evidenced by the Note, (ii) any default occurs in the performance of any other term, covenant or condition in this Mortgage and such event of default remains uncured for a period of thirty (30) days after written notice thereafter, or (iii) an event of default occurs under the Note or any other instrument or document tendered to Lender in connection herewith including but not limited to any modifications or amendments hereto, and any other agreement with regard hereto, which default remains uncured for a period of thirty (30) days after written notice to Borrower. In addition to any other remedy herein specified, if any default under this Mortgage shall occur, Lender may immediately after the expiration of any applicable grace period without a cure being affected, at its option, (i) declare the entire indebtedness secured hereby to be immediately due and payable, without notice or demand (each of which is hereby expressly waived by Borrower) whereupon the same shall become immediately due and payable, (ii) institute proceedings for the complete foreclosure of this Mortgage, (iii) institute proceedings to collect any delinquent installment or installments of the entire indebtedness secured hereby without accelerating the due date of the entire indebtedness, (iv) take such steps to protect and enforce its rights whether by suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note or in this Mortgage, or (v) enforce this Mortgage in any other manner permitted under the laws of the State of Illinois. In any case in which, under the provisions of this Mortgage, Lender has a right to institute foreclosure proceedings, upon demand of Lender, Borrower shall surrender to Lender and Lender shall be entitled to take actual possession of the Premises, and may, as agent of Borrower, or in its own name as Lender and under the powers herein granted: (i) operate, manage, and control the Premises and conduct the business, if any, thereof, either personally or by its agents, (ii) cancel or terminate any lease or sublease, (iii) extend or modify any then existing leases and make new leases, (iv) make all necessary repairs, alterations, additions, and improvements to the Premises which the Lender may deem appropriate, (v) receive all rents, issues and profits of the Premises, which shall be applied in payment of any and all amounts due hereunder or under the Note secured hereby. At anytime after the filing of any action to foreclose this Mortgage, Borrower consents upon application by Lender to the appointment of a receiver of the Premises.

18. Acceptance by Lender of any payment which is less than payment in full of amounts due and payable at the time of such payment shall not constitute a waiver of Lender's right to exercise its option to declare the whole of the principal sum then remaining unpaid, together with all accrued interest thereon, immediately due and payable without notice, or any other rights of the Lender at that time or any subsequent time, nor nullify any prior exercise of such option or such rights of Lender.

19. No delay in the exercise of or failure to exercise any remedy or right under this Mortgage shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default.

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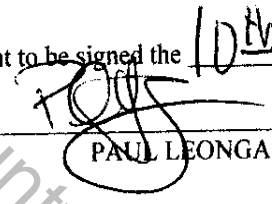
20. All notices to Borrower or Lender that are required in connection with this Mortgage shall be in writing, and shall be deemed given upon the earlier of the actual receipt thereof or five (5) days after mailing the same with postage prepaid via certified first class mail.
21. It is specifically agreed that time is of the essence of this Mortgage.
22. This Mortgage may not be changed or modified except by a writing signed by all parties hereto and all co-makers of the Note secured hereby.
23. This Mortgage and all provisions hereof shall be binding upon Borrower, Borrower's successors and assigns and all persons claiming under or through Borrower.
24. Borrower shall execute, acknowledge and deliver to Lender and to any subsequent holder of the Note secured hereby from time to time upon demand (and pay the cost of preparing and recording thereof) any further instrument or instruments, including, but not limited to, mortgages, security agreements, financing statements, and so as to reaffirm, to correct and to perfect the evidence of the obligation hereby secured and the lien of Lender to all or any part of the Premises intended to be hereby mortgaged, and will do or cause to be done all such further acts and things as may reasonably be necessary fully to effectuate the intent of this Mortgage.
25. If the Premises are now or hereafter located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (the Act), the Borrower will keep the Premises covered for the term of the Note by flood insurance up to the maximum limit of coverage available under the Act.
26. Borrower warrants that the premises herein are free from environmental violations, and that the buildings and other improvements constructed on, under or above the subject real estate will be used and maintained in accordance with all applicable environmental regulations and the use of said buildings by Borrower, or Borrower's lessees, will not pollute the premises, or the atmosphere with smoke, fumes, noxious gases or particulate pollutants in violation of any such regulations; and in case Borrower (or said lessees) are served with notice of violation by any such environmental agency or other governmental or municipal body, that it will immediately cure such violations and abate whatever nuisance or violation is claimed or alleged to exist.
- Borrower, and all makers and guarantors of the Note secured hereby, hereby indemnify and save Lender harmless of and from all loss, cost (including reasonable attorneys' fees) liability, and damages whatsoever incurred by Lender by reason of any violation of any applicable statute or regulation for the protection of the environment which occurs upon the Premises, or by reason of any governmental lien for the recovery of environmental cleanup costs expended by reason of such violation; provided that, to the extent that Lender is strictly liable under any such statute, Borrower's obligation to Lender under this indemnity shall likewise be without regard to fault on the part of Borrower with respect to the violation of law which results in liability to Lender. The obligations of Borrower, and all makers and guarantors of the Note secured hereby, under this paragraph shall survive any termination or satisfaction of this Mortgage.
27. Borrower, and all makers of the Note secured hereby, will protect, indemnify and save harmless Lender from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation reasonable attorneys' fees and expenses), imposed upon or incurred by or asserted against Lender

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by reason of (a) the ownership of the Premises or any interest therein or receipt of any rents, issues, proceeds or profits therefrom; (b) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Premises or any part thereof or on the adjoining sidewalks, or curbs, adjacent parking areas, streets or ways; (c) any use, non-use or condition in, on or about the Premises or any part thereof or on the adjoining sidewalks, curbs, the adjacent parking areas, streets or ways; (d) any failure on the part of Borrower to perform or comply with any of the terms of this Mortgage; or (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof Any amounts payable to Lender by reason of the application of this paragraph shall constitute additional indebtedness which is secured by this Mortgage and shall become immediately due and payable upon demand therefore and shall bear interest at five per cent (5%) in excess of the Note rate of interest from the date loss or damage is sustained by Lender until paid. The obligations of Borrower under this paragraph shall survive any termination or satisfaction of this Mortgage.

28. In the event Borrower shall convey, assign, or alienate the property secured by this Mortgage, by Installment Agreement for Warranty Deed, by conveyance into a land trust, Assignment of Beneficial Interest, or otherwise, or any interest therein, or shall be divested of title or any interest therein in any manner or way whether voluntarily or involuntarily, without the written consent of the Owner of the Note secured hereby being first obtained, which consent may be unreasonably withheld, said Note Owner, to the fullest extent provided by law, shall have the right at its option to declare any indebtedness or obligation therein or herein, irrespective of the maturity date specified in said Note, immediately due and payable.

IN WITNESS WHEREOF, Borrower has caused this instrument to be signed the 10th day of November, 2004.

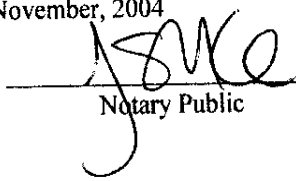


PAUL LEONGAS

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that PAUL LEONGAS, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act.

Given under my hand and notarial seal this 10th day of November, 2004



Notary Public

This instrument was prepared by:

Robert L. Howard
Attorney at Law
116 Geneva Ave.
Elmhurst, IL 60126
630-989-5457

