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Doc#: 0604702153 Fee: \$58.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 02/16/2008 10:27 AM Pg: 1 of 18

**PREPARED BY AND WHEN RECORDED  
RETURN TO:**

LaVon M. Johns, Esq  
Pugh, Jones, Johnson & Quandt P.C.  
180 N. LaSalle  
Suite 3400  
Chicago, IL 60601

1st AMERICAN MORTGAGE # 1290557 2/2

**MORTGAGE**

~~PUTZLER~~ THIS MORTGAGE (the "Mortgage") is made as of January <sup>30</sup>, 2006, by **THOMAS R. AND KELLY PUTZLER**, husband and wife, jointly and severally, having an address at 18601 Palmer, Homewood, Illinois (the "Borrower") to **TOSCANA DEVELOPMENT, INC.**, an Illinois corporation having an address at 1642 Cedar Road, Homewood, Illinois 60430 (the "Lender").

Borrower has executed and delivered to Lender a Promissory Note (the "Note") of even date herewith payable to the order of Lender in the principal sum of TWO HUNDRED EIGHTY NINE THOUSAND NINE HUNDRED AND 00/100TH Dollars (\$289,900.00), bearing interest and payable as set forth in the Note, and due on December 31, 2006.

In order to secure the payment of the principal indebtedness under the Note and interest and premiums on the principal indebtedness under the Note (and all replacements, renewals and extensions thereof, in whole or in part) according to its tenor, and to secure the payment of all other sums which may be at any time due under the Note or this Mortgage (collectively sometimes referred to herein as "Indebtedness"); and to secure the performance and observance of all the provisions contained in this Mortgage or the Note, and to charge the properties, interests and rights hereinafter described with such payment, performance and observance, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower DOES HEREBY MORTGAGE AND CONVEY unto Lender, its successors and

18

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35 assigns forever, the following described property, rights and interests (which are referred to  
36 herein as the "Premises"), all of which property, rights and interests are hereby pledged primarily  
37 and on a parity with the Land (as hereinafter defined) and not secondarily:

38 THE LAND located in the State of Illinois (the "Land") and legally described on  
39 Exhibit A attached hereto.

40 TOGETHER WITH all improvements of every nature whatsoever now or hereafter  
41 situated on the Land, and all fixtures and personal property of every nature whatsoever now or  
42 hereafter owned by Borrower and located on or used or intended to be used in connection with  
43 the Land or the improvements, or in connection with any construction thereon, and owned by  
44 Borrower, and all of Borrower's rights or payments now or hereafter made on such personal  
45 property or fixtures by Borrower or on its behalf (the "Improvements");  
46

47 TOGETHER WITH all easements, rights of way, gores of land, streets, ways, alleys,  
48 passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights,  
49 titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in  
50 any way now or hereafter belonging, relating or appertaining to the Land, and the reversions,  
51 remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property,  
52 possession, claim and demand whatsoever, at law as well as in equity, in and to the same;

53 TOGETHER WITH all income from the Premises to be applied against the Indebtedness,  
54 provided, however, that Borrower may, so long as no Default has occurred hereunder, collect  
55 income and other benefits as it becomes due, but not more than one (1) month in advance  
56 thereof;

57 TOGETHER WITH all proceeds of the foregoing, including without limitation all  
58 judgments, awards of damages and settlements hereafter made resulting from condemnation  
59 proceeds or the taking of the Premises or any portion thereof under the power of eminent  
60 domain, any proceeds of any policies of insurance, maintained with respect to the Premises or  
61 proceeds of any sale, option or contract to sell the Premises or any portion thereof.

62 TO HAVE AND TO HOLD the Premises, unto the Lender, its successors and assigns,  
63 forever, for the purposes herein set forth together with all right to possession of the Premises  
64 after the occurrence of any Default as hereinafter defined; the Borrower hereby **RELEASING**  
65 **AND WAIVING** all rights under and by virtue of the homestead exemption laws of the State of  
66 Illinois.

67 **BORROWER COVENANTS** that it is lawfully seized of the Land, and that it has lawful  
68 authority to mortgage the same, and that it will warrant and defend the Land and the quiet and  
69 peaceful possession of the same against the lawful claims of all persons whomsoever.

70 **PROVIDED, NEVERTHELESS**, that if Borrower shall pay in full when due the  
71 Indebtedness and shall timely perform and observe all of the provisions herein and in the Note

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72 provided to be performed and observed by the Borrower, then this Mortgage and the interest of  
73 Lender in the Premises shall cease and become void, but shall otherwise remain in full force.

74 BORROWER FURTHER AGREES AS FOLLOWS:

75 1. Payment of Indebtedness and Performance of Covenants. Borrower shall (a) pay  
76 the Indebtedness when due and (b) punctually perform and observe all of the requirements of the  
77 Note and this Mortgage.

78 2. Maintenance, Repair, Compliance with Law, Use, etc. Borrower shall (a)  
79 promptly repair or restore any portion of the Improvements which may become damaged or be  
80 destroyed whether or not proceeds of insurance are available or sufficient for that purpose; (b)  
81 keep the Premises in good condition and free from waste; (c) pay all operating costs of the  
82 Premises; (d) complete, within a reasonable time, any building or other Improvements at any  
83 time in the process of erection upon the Premises; (e) comply with all requirements of law  
84 relating to the Premises and the use thereof; (f) refrain from any action and correct any condition  
85 which would increase the risk of fire or other hazard to the Improvements; (g) comply with any  
86 restrictions of record with respect to the Premises; and comply with any conditions necessary to  
87 preserve and extend all rights that are applicable to the Premises; and (h) cause the Premises to  
88 be managed in a competent manner. Without the prior written consent of Lender, Borrower shall  
89 not cause, suffer or permit any (i) material alterations of the Premises except as required by law  
90 or except as permitted or required to be made by the terms of any Leases approved by Lender;  
91 (ii) change in the intended use of the Premises; (iii) change in the identity of the person or firm  
92 responsible for managing the Premises; (iv) zoning reclassification with respect to the Premises;  
93 (v) unlawful use of, or nuisance to exist upon, the Premises; or (vi) granting of any easements,  
94 licenses, covenants, conditions or declarations of use against the Premises, other than use  
95 restrictions contained or provided for in Leases approved by Lender.

96 3. Liens, Prohibition. Subject to the provisions of Paragraph 4 hereof, Borrower  
97 shall not create or suffer or permit any encumbrance to attach to or be filed against the Premises,  
98 excepting only (i) the lien of real estate taxes and assessments not due and (ii) any liens and  
99 encumbrances of Lender.

100 4. Taxes.

101 4.1 Payment. Borrower shall pay when due all taxes, assessments, and  
102 charges of every kind levied or assessed against the Premises or any interest therein or any  
103 obligation or instrument secured hereby, and all installments thereof (all herein generally called  
104 "Taxes"), whether or not assessed against Borrower, and Borrower shall furnish to Lender  
105 receipts therefor on or before the date the same are due; and shall discharge any claim or lien  
106 relating to Taxes upon the Premises.

107 4.2 Contest. Borrower may, in good faith and with reasonable diligence,  
108 contest the validity or amount of any such Taxes, provided:

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109                   4.2.1. Such contest shall prevent the collection of the Taxes so contested  
110 and the sale or forfeiture of the Premises or any part thereof or interest therein to satisfy the  
111 same;

112                   4.2.2. Borrower has notified Lender in writing of the intention of  
113 Borrower to contest the same before any Tax has been increased by any interest, penalties, or  
114 costs; and

115                   4.2.3. Borrower has deposited with Lender, at such place as Lender may  
116 from time to time in writing designate, a sum of money or other security acceptable to Lender  
117 that, when added to the monies or other security, if any, deposited with Lender pursuant to  
118 Paragraph 7 hereof, is sufficient, in Lender's judgment, to pay in full such contested Tax,  
119 including interest and penalties, and shall increase such deposit to cover additional interest and  
120 penalties whenever Lender deems such an increase advisable.

121                   If Borrower fails to prosecute such contest with reasonable diligence or fails to maintain  
122 sufficient funds on deposit as hereinabove provided, Lender may, at its option, apply the monies  
123 and liquidate any securities deposited with Lender, in payment of, or on account of, such Taxes,  
124 or any portion thereof then unpaid, including all penalties and interest thereon. If the amount of  
125 the money and any such security so deposited is insufficient for the payment in full of such  
126 Taxes, together with all penalties and interest thereon, Borrower shall forthwith, upon demand,  
127 either deposit with Lender a sum that, when added to such funds then on deposit, is sufficient to  
128 make such payment in full, or, if Lender has applied funds on deposit on account of such Taxes,  
129 restore such deposit to an amount satisfactory to Lender. Provided that Borrower is not then in  
130 default hereunder, Lender shall, upon Borrower's written request, after final disposition of such  
131 contest and upon Borrower's delivery to Lender of an official bill for such Taxes, apply the  
132 money so deposited in full payment of such Taxes or that part thereof then unpaid, together with  
133 penalties and interest thereon.

134                   5.     Insurance Coverage. Borrower will insure the Premises against such perils and  
135 hazards, and in such amounts and with such limits, as Mortgagee may from time to time require,  
136 and in any event will continuously maintain the following described policies of insurance (the  
137 "Insurance Policies"):

138                   5.1     Casualty insurance against loss and damage by all risks of physical loss or  
139 damage, including fire, windstorm, flood, earthquake and other risks covered by the so-called  
140 extended coverage endorsement in amounts not less than the full insurable replacement value of  
141 all Improvements, fixtures and equipment from time to time on the Premises and bearing a  
142 replacement cost agreed amount endorsement;

143                   6.     Insurance Policies. All Insurance Policies shall be in form, companies and  
144 amounts reasonably satisfactory to Lender. All Insurance Policies shall (i) include, when  
145 available, non-contributing mortgagee endorsements in favor of and with loss payable to Lender,  
146 (ii) include standard waiver of subrogation endorsements, (iii) provide that the coverage shall not  
147 be terminated or materially modified without thirty (30) days' advance written notice to Lender

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148 and (iv) provide that no claims shall be paid thereunder without ten (10) days' advance written  
149 notice to Lender. Borrower will deliver all Insurance Policies premium prepaid, to Lender and  
150 will deliver renewal or replacement policies at least thirty (30) days prior to the date of  
151 expiration of any policy.

152 7. Deposits for Taxes and Insurance Premiums. In order to assure the payment of  
153 Taxes and insurance policy premiums ("Premiums") when due:

154 7.1 Borrower shall deposit with Lender on the first business day of each  
155 month, an amount equal to one-twelfth (1/12) of the Taxes and Premiums thereof to become due  
156 upon the Premises between one (1) and thirteen (13) months after the date of such deposit;  
157 provided that in the case of the first such deposit, Borrower shall deposit in addition an amount  
158 which, when added to the aggregate amount of monthly deposits to be made hereunder with  
159 respect to Taxes and Premiums to become due within thirteen (13) months after such first  
160 deposit, will provide (without interest) a sufficient fund to pay such Taxes and Premiums, one  
161 (1) month prior to the date when they are due. The amounts of such deposits (herein generally  
162 called "Tax and Insurance Deposits") shall be based upon Lender's estimate of the amount of  
163 Taxes and Premiums. Borrower shall promptly upon the demand of Lender make additional Tax  
164 and Insurance Deposits as Lender may from time to time require due to (i) failure of Lender to  
165 require, or failure of Borrower to make, Tax and Insurance Deposits in previous months, (ii)  
166 underestimation of the amounts of Taxes and/or Premiums, (iii) the particular due dates and  
167 amounts of Taxes and/or Premiums or (iv) application of the Tax and Insurance Deposits  
168 pursuant to Paragraph 7.3 hereof. Additionally, upon the execution hereof, Borrower shall  
169 deposit with Lender, as a Tax and Insurance Deposit, the amount of all Taxes and Premiums to  
170 become due and payable prior to the first monthly Tax and Insurance Deposit or within one (1)  
171 month thereafter. Lender shall hold all Tax and Insurance Deposits without any allowance of  
172 interest thereon. Notwithstanding any provision hereof to the contrary, Lender shall not require  
173 Borrower to make Tax and Insurance Deposits unless one or more of the following events has  
174 occurred: (i) a Default has occurred hereunder; (ii) Borrower has failed to provide for the  
175 payment of Taxes and Premiums in a manner satisfactory to Lender, or (iii) Borrower has failed  
176 to maintain the Insurance Policies in a manner satisfactory to Lender.

177 7.2 Lender will, out of the Tax and Insurance Deposits, upon the presentation  
178 to Lender by Borrower of the bills therefor, pay the Taxes and Premiums or will, upon the  
179 presentation of receipted bills therefor, reimburse Borrower for such payments made by  
180 Borrower. If the total Tax and Insurance Deposits on hand shall not be sufficient to pay all of the  
181 Taxes and Premiums when the same shall become due, then Borrower shall pay to Lender on  
182 demand the amount necessary to make up the deficiency.

183 7.3 Upon a Default under this Mortgage, Lender may, at its option, without  
184 being required to do so, apply any Tax and Insurance Deposits on hand to the Indebtedness, in  
185 such order and manner as Lender may elect. When the Indebtedness has been fully paid, any  
186 remaining Tax and Insurance Deposits shall be paid to Borrower. All Tax and Insurance  
187 Deposits are hereby pledged as additional security for the Indebtedness, and shall be held by

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188 Lender irrevocably to be applied for the purposes for which made as herein provided, and shall  
189 not be subject to the direction or control of Borrower.

190 7.4 Notwithstanding anything herein contained to the contrary, Lender shall  
191 not be liable for any failure to apply the Tax and Insurance Deposits unless Borrower, while no  
192 Default exists hereunder, shall have (i) requested in writing that Lender apply such Deposits to  
193 the payment of the Taxes or Premiums, and (ii) presented Lender with bills for such Taxes or  
194 Premiums.

195 7.5 The provisions of this Mortgage are for the benefit of Borrower and  
196 Lender alone. No provision of this Mortgage shall be construed as creating in any other party  
197 any rights in the Tax and Insurance Deposits or any rights to have the Tax and Insurance  
198 Deposits applied to payment of Taxes and Premiums. Lender shall have no obligation to any  
199 third party to collect Tax and Insurance Deposits.

200 8. Proceeds of Insurance. Borrower will give Lender prompt notice of any loss or  
201 damage to the Premises, and:

202 8.1 In case of loss covered by insurance policies, Lender (or, after entry of  
203 decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be)  
204 is hereby authorized at its option either (i) to settle and adjust any claim under such policies  
205 without the consent of Borrower, or (ii) to allow Borrower to settle or adjust such claims. The  
206 expenses incurred by Lender in the adjustment and collection of insurance proceeds shall be so  
207 much additional Indebtedness and Borrower shall reimburse Lender for such expense upon  
208 demand.

209 8.2 In the event of any insured damage to the Premises (herein called an  
210 "Insured Casualty"), and if, in the reasonable judgment of Lender, the Premises can be restored  
211 to an economic unit not less valuable than the same was prior to the Insured Casualty, then, if  
212 Borrower shall not be in default or Default hereunder, the proceeds of insurance shall be applied  
213 to reimburse Borrower for the cost of restoring or repairing the Premises, as provided for in  
214 Paragraph 9 hereof; and Borrower shall diligently restore or repair the Premises; provided that  
215 Borrower shall pay all costs of such restoring or repairing in excess of the net proceeds of  
216 insurance made available pursuant to the terms hereof.

217 8.3 Except as provided in Paragraph 8.2, Lender may apply the proceeds of  
218 insurance consequent upon any Insured Casualty upon the Indebtedness in such order as Lender  
219 may elect; provided, however, that such application of proceeds shall not be considered a  
220 voluntary prepayment of the Note which would require the payment of any prepayment  
221 premium.

222 8.4 Whether or not proceeds of insurance are made available to Borrower for  
223 the restoring or repairing of the Premises, Borrower shall restore or repair the same to be of at  
224 least equal value and of substantially the same character as prior to such damage in accordance  
225 with plans and specifications to be approved in advance by Lender.

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226 9. Disbursement of Insurance Proceeds. Insurance proceeds held by Lender for  
227 restoration or repairing of the Premises shall be disbursed from time to time upon Borrower  
228 furnishing Lender with (i) evidence satisfactory to it of the estimated cost of the restoration or  
229 repair, (ii) funds sufficient in addition to the proceeds of insurance, to fully pay for the  
230 restoration or repair, and (iii) such architect's certificates, waivers of lien, contractor's sworn  
231 statements, title insurance endorsements, plats of survey and such other evidences of cost,  
232 payment and performance as Lender may require and approve. No payment made prior to the  
233 final completion of the restoration or repair shall exceed ninety percent (90%) of the value of the  
234 work performed from time to time, as such value shall be determined by Lender in its exclusive  
235 judgment; funds other than insurance proceeds shall be disbursed prior to disbursement of such  
236 proceeds; and at all times the undisbursed balance of such proceeds remaining in the hands of  
237 Lender, together with funds deposited or irrevocably committed, to the satisfaction of Lender, by  
238 or on behalf of Borrower to pay the cost of such repair or restoration shall be at least sufficient in  
239 the reasonable judgment of Lender to pay the entire unpaid cost of the restoration or repair free  
240 and clear of all liens or claims for lien. Any surplus of insurance proceeds held by Lender after  
241 payment of such costs of restoration or repair shall be paid to Borrower provided Borrower is not  
242 in default hereunder. No interest shall be allowed to Borrower on account of any proceeds of  
243 insurance or other funds held by Lender.

244 10. Condemnation and Eminent Domain. All awards (the "Awards") made to the  
245 owner of the Premises, by any governmental or other lawful authority for the taking, by  
246 condemnation or eminent domain, of all or any part of the Premises, are hereby assigned by  
247 Borrower to Lender. Lender is hereby authorized to give appropriate acquittances thereof.  
248 Borrower shall immediately notify Lender of the actual or threatened commencement of any  
249 condemnation or eminent domain proceedings affecting the Premises and shall deliver to Lender  
250 copies of any papers served in connection with any such proceedings. Borrower shall make and  
251 deliver to Lender, at any time upon request, free of any encumbrance, all further assignments and  
252 other instruments deemed necessary by Lender for the purpose of assigning all Awards to  
253 Lender. If any portion of or interest in the Premises is taken by condemnation or eminent  
254 domain, either temporarily or permanently, and the remaining portion of the Premises is not, in  
255 the judgment of Lender, a complete economic unit having equivalent value to the Premises as it  
256 existed prior to the taking, then, at the option of Lender, the entire indebtedness shall  
257 immediately become due. After deducting from the Award for such taking all of its expenses  
258 incurred in the collection and administration of the Award, including attorney's fees, Lender shall  
259 be entitled to apply the net proceeds toward repayment of such portion of the Indebtedness as it  
260 deems appropriate without affecting the lien of this Mortgage. In the event of any partial taking  
261 of the Premises or any interest in the Premises, which, in the judgment of Lender leaves the  
262 Premises as a complete economic unit having equivalent value to the Premises as it existed prior  
263 to the taking, and provided no Default has occurred and is then continuing, the Award shall be  
264 applied to reimburse Borrower for the cost of restoration and rebuilding the Premises in  
265 accordance with plans, specifications and procedures approved by Lender, and such Award shall  
266 be disbursed in the same manner as is hereinabove provided above for the application of  
267 insurance proceeds, provided that any surplus after payment of such costs shall be applied on  
268 account of the Indebtedness. If the Award is not applied for reimbursement of such restoration

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269 costs, the Award shall be applied against the Indebtedness, in such order or manner as Lender  
270 shall elect.

271 11. Restrictions on Transfer. Borrower shall not, without the prior written consent of  
272 Lender, effect, suffer or permit any "Prohibited Transfer" (as defined herein). Any conveyance,  
273 sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or  
274 alienation (or any agreement to do any of the foregoing) of any of the following properties, rights  
275 or interests shall constitute a "Prohibited Transfer":

276 11.1 The Premises or any part thereof or interest therein;

277 11.2 All or any portion of the beneficial interest or power of direction in or to  
278 the trust under which Borrower is acting, if Borrower is a Trustee;

279 in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage,  
280 security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or  
281 involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions  
282 of this Paragraph 11 shall not apply (i) to liens securing the Indebtedness, (ii) to the lien of  
283 current taxes and assessments not in default, or (iii) to any transfers of the Premises, or part  
284 thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint  
285 venture interests, as the case may be, by or on behalf of an owner thereof who is deceased or  
286 declared judicially incompetent, to such owner's heirs, legatees, devisees, executors,  
287 administrators, estate or personal representatives.

288 12. Defaults. If one or more of the following events (herein called "Defaults") shall  
289 occur:

290 12.1 If Borrower shall, after the expiration of any applicable grace periods, fail  
291 to make payments of amounts owed under the Note or this Mortgage when due;

292 12.2 If any default shall, after the expiration of any applicable grace periods,  
293 exist under any other document or instrument regulating, evidencing, securing or guarantying  
294 any of the Indebtedness;

295 12.3 A Prohibited Transfer;

296 12.4 If default shall continue for fifteen (15) days after notice thereof by Lender  
297 to Borrower in the punctual performance or observance of any other agreement or condition  
298 herein contained;

299 then Lender may, at its option and without affecting the lien hereby created or the priority of said  
300 lien or any other right of Lender hereunder, to declare, without further notice, all Indebtedness to  
301 be immediately due with interest thereon at the Default Rate, whether or not such Default be  
302 thereafter remedied by Borrower, and Lender may immediately proceed to foreclose this  
303 Mortgage and to exercise any right provided by this Mortgage, the Note or otherwise.



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304           13.    Foreclosure.  When the Indebtedness shall become due, whether by acceleration  
305 or otherwise, Lender shall have the right to foreclose the lien hereof in accordance with the  
306 Illinois Mortgage Foreclosure Law, as amended 735 ILCS 5/15-1101 et seq. (the "Act") and to  
307 exercise any other remedies of Lender provided in the Note, this Mortgage, the Loan Agreement,  
308 or which Lender may have at law, at equity or otherwise.  In any suit to foreclose the lien hereof,  
309 there shall be allowed and included as additional Indebtedness in the decree of sale, all  
310 expenditures and expenses which may be paid or incurred by or on behalf of Lender for  
311 attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's  
312 charges, publication costs, costs (which may be estimated as to items to be expended after entry  
313 of the decree) of procuring all such abstracts of title, title searches and examinations, title  
314 insurance policies, and similar data and assurance with respect to title as Lender may deem  
315 reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may  
316 be had pursuant to such decree the true conditions of the title to or the value of the Premises, and  
317 any other expenses and expenditures which may be paid or incurred by or on behalf of Lender  
318 and permitted by the Act to be included in such decree.  All expenditures and expenses of the  
319 nature mentioned in this Paragraph, and such other expenses and fees as may be incurred in the  
320 protection of the Premises and rents and income therefrom and the maintenance of the lien of this  
321 Mortgage, including the fees of any attorney employed by Lender in any litigation or  
322 proceedings affecting this Mortgage, the Note or the Premises, including probate and bankruptcy  
323 proceedings, or in preparation of the commencement or defense of any proceedings or threatened  
324 suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional  
325 Indebtedness and shall be immediately due and payable by Borrower, with interest thereon at the  
326 Default Rate until paid.

327           14.    Right of Possession.  When the Indebtedness shall become due, whether by  
328 acceleration or otherwise, or if Lender has a right to institute foreclosure proceedings, Borrower  
329 shall, forthwith upon demand of Lender, surrender to Lender, and Lender shall be entitled to be  
330 placed in possession of the Premises as provided in the Act and Lender, in its discretion and  
331 pursuant to court order, may reasonably, by its agent or attorneys, enter upon and take and  
332 maintain possession of all or any part of the Premises, together with all documents, books,  
333 records and accounts of Borrower or the then owner of the Premises relating thereto, and may  
334 exclude Borrower, such owner, and any agents and servants thereof wholly therefrom and may,  
335 on behalf of Borrower or such owner, or in its own name as Lender and under the powers herein  
336 granted:

337                   14.1    Hold, manage, and control all or any part of the Premises and conduct the  
338 business, if any, thereof, either personally or by its agents, with full power to use such measures,  
339 legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment  
340 or security of the rents, issues, deposits, profits, and avails of the Premises;

341                   14.2    Cancel or terminate any Lease or sublease of all or any part of the  
342 Premises for any cause or on any ground that would entitle Borrower to cancel the same;

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343           14.3   Extend or modify any then existing Leases and make new Leases of all or  
344 any part of the Premises, which extensions, modifications, and new Leases may provide for  
345 terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity  
346 date of the loan evidenced by the Note and the issuance of a deed to a purchaser at a foreclosure  
347 sale, it being understood and agreed that any such Leases, and the options or other such  
348 provisions to be contained therein, shall be binding upon Borrower, all persons whose interests in  
349 the Premises are subject to the lien hereof, and the purchaser at any foreclosure sale,  
350 notwithstanding any redemption from sale, reinstatement, discharge of the Indebtedness,  
351 satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such  
352 purchaser;

353           14.4   Make all necessary or proper repairs, decoration renewals, replacements,  
354 alterations, additions, betterments, and improvements in connection with the Premises as may  
355 seem judicious to Lender, to insure and reinsure the Property and all risks incidental to Lender's  
356 possession, operation, and management thereof, and to receive all rents, issues, deposits, profits,  
357 and avails therefrom; and

358           14.5   Apply the net income, after allowing a reasonable fee for the collection  
359 thereof and for the management of the Premises, to the payment of Taxes, Premiums and other  
360 charges applicable to the Premises, or in reduction of the Indebtedness Hereby Secured in such  
361 order and manner as Lender shall select.

362           Without limiting the generality of the foregoing, Lender shall have all power, authority and  
363 duties as provided in the Act. Nothing herein contained shall be construed as constituting Lender  
364 a mortgagee in possession in the absence of the actual taking of possession of the Premises.

365           15.   Receiver. Upon the filing of a complaint to foreclose this Mortgage or at any time  
366 thereafter, the court in which such complaint is filed may appoint upon petition of Lender, and at  
367 Lender's sole option, a receiver of the Premises pursuant to the Act. Such appointment may be  
368 made either before or after sale, without notice, without regard to solvency or insolvency of  
369 Borrower at the time of application for such receiver, and without regard to the then value of the  
370 Premises or whether the same shall be then occupied as a homestead or not; and Lender  
371 hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver  
372 shall have all powers and duties prescribed by the Act, including the power to make leases to be  
373 binding upon all parties, including the mortgagor, the purchaser at a sale pursuant to a judgment  
374 of foreclosure and any person acquiring an interest in the Premises after entry of a judgment of  
375 foreclosure, all as provided in the Act. In addition, such receiver shall also have the power to  
376 extend or modify any then existing leases, which extensions and modifications may provide for  
377 terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity  
378 date of the Note and beyond the date the issuance of a deed or deeds to a purchaser or purchasers  
379 at a foreclosure sale, it being understood and agreed that any such leases, and the options or other  
380 provisions to be contained therein, shall be binding upon Borrower and all the persons whose  
381 interest in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any  
382 foreclosure sale, notwithstanding any redemption, reinstatement, discharge of the Indebtedness,

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383 satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any  
384 purchaser. In addition, such receiver shall have the power to collect the rents, issues and profits  
385 of the Premises during the pendency of such foreclosure suit and, in case of a sale and  
386 deficiency, during the full statutory period of redemption, if any, whether there be a redemption  
387 or not, as well as during any further times when Borrower, except for the intervention of such  
388 receiver, would be entitled to collection of such rents, issues and profits, and such receiver shall  
389 have all other powers which may be necessary or are usual in such cases for the protection,  
390 possession, control, management and operation of the Premises during the whole of said period.  
391 The court may, from time to time, authorize the receiver to apply the net income from the  
392 Premises in payment in whole or in part of: (a) the Indebtedness or the indebtedness secured by  
393 a decree foreclosing this Mortgage, or any tax, special assessment, or other lien which may be or  
394 become superior to the lien hereof or of such decree, provided such application is made prior to  
395 the foreclosure sale; or (b) the deficiency in case of a sale and deficiency.

396       16. Foreclosure Sale. Except to the extent otherwise required by the Act, the  
397 proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following  
398 order of priority: First, all items which under the terms hereof constitute Indebtedness additional  
399 to the principal and interest evidenced by the Note in such order as Lender shall elect with  
400 interest thereon as herein provided; and Second, all principal and interest remaining unpaid on  
401 the Note in such order as Lender shall elect; and lastly any surplus to Borrower and its  
402 successors and assigns, as their rights may appear.

403       17. Insurance During Foreclosure. In case of an insured loss after foreclosure  
404 proceedings have been instituted, the proceeds of any Insurance Policy, if not applied in  
405 rebuilding or restoring the Improvements, shall be used to pay the amount due in accordance  
406 with any decree of foreclosure that may be entered in any such proceedings, and the balance  
407 shall be paid as the court may direct. The foreclosure decree may provide that the mortgagee's  
408 clause attached to each of the casualty Insurance Policies may be cancelled and that the decree  
409 creditor may cause a new loss clause to be attached to each of said casualty Insurance Policies  
410 making the loss thereunder payable to said decree creditors. The foreclosure decree may further  
411 provide that in the case of one or more redemptions under said decree, each successive  
412 redepton may cause the preceding loss clause attached to each casualty Insurance Policy to be  
413 cancelled and a new loss payable clause to be attached thereto, making the loss thereunder  
414 payable to such redepton. In the event of foreclosure sale, Lender may, without the consent of  
415 Borrower, assign any Insurance Policies to the purchaser at the sale, or take such other steps to  
416 protect the interest of such purchaser.

417       18. Waiver of Right of Redemption and Other Rights. To the full extent permitted by  
418 law, Borrower agrees that it will not at any time or in any manner whatsoever take any advantage  
419 of any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time  
420 hereafter in force, nor take any advantage of any law now or hereafter in force providing for the  
421 valuation or appraisalment of the Premises, or any part thereof, prior to any sale thereof to be  
422 made pursuant to any provisions herein contained, or to any decree, judgment or order of any  
423 court of competent jurisdiction; or after such sale claim or exercise any rights under any statute

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424 now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the  
425 marshalling thereof, upon foreclosure sale or other enforcement hereof. To the full extent  
426 permitted by law, Borrower hereby expressly waives any and all rights it may have to require  
427 that the Premises be sold as separate tracts or units in the event of foreclosure. To the full extent  
428 permitted by law, Borrower hereby expressly waives any and all rights of redemption under the  
429 Act, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect)  
430 by, through or under Borrower and on behalf of each and every person acquiring any interest in  
431 or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all  
432 such rights of redemption of Borrower and such other persons, are and shall be deemed to be  
433 hereby waived to the full extent permitted by applicable law. To the full extent permitted by  
434 law, Borrower agrees that it will not, by invoking or utilizing any applicable law or laws or  
435 otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or  
436 otherwise granted or delegated to Lender, but will permit the exercise of every such right, power  
437 and remedy as though no such law or laws have been or will have been made or enacted. To the  
438 full extent permitted by law, Borrower hereby agrees that no action for the enforcement of the  
439 lien or any provision hereof shall be subject to any defense which would not be good and valid in  
440 an action at law upon the Note. Borrower acknowledges that the Premises do not constitute  
441 agricultural real estate as defined in Section 15-1201 of the Act or residential real estate as  
442 defined in Section 15-1219 of the Act.

443 19. Lender's Performance of Borrower's Obligations. In case of Default, either before  
444 or after acceleration of the Indebtedness or the foreclosure of the lien hereof and during the  
445 period of redemption, if any, Lender may, but shall not be required to, make any payment or  
446 perform any act herein required of Borrower (whether or not Borrower is personally liable  
447 therefor) in any form and manner deemed expedient to Lender. Lender may, but shall not be  
448 required to, complete construction, furnishing and equipping of the Improvements and rent,  
449 operate and manage the Premises and the Improvements and pay operating costs and expenses,  
450 including management fees, of every kind and nature in connection therewith, so that the  
451 Premises shall be operational and useable for their intended purposes. All monies paid, and all  
452 expenses incurred in connection therewith, including attorneys' fees, shall be so much additional  
453 Indebtedness, whether or not the Indebtedness, as a result thereof, shall exceed the face amount  
454 of the Note, and shall become immediately due and payable on demand, and with interest  
455 thereon at the Default Rate specified in the Note (the "Default Rate"). Inaction of Lender shall  
456 not be a waiver of any right accruing to it on account of any Default nor shall the provisions of  
457 this Paragraph or any exercise by Lender of its rights hereunder prevent any default from  
458 constituting a Default. Lender, in making any payment hereby authorized (a) relating to Taxes,  
459 may do so according to any bill, statement or estimate, without inquiry into the validity of any  
460 tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge,  
461 compromise or settlement of any lien, may do so without inquiry as to the validity or amount of  
462 any claim for lien which may be asserted; or (c) in connection with the completion of  
463 construction, furnishing or equipping of the Premises or the rental, operation or management of  
464 the Premises or the payment of operating costs and expenses thereof, may do so in such amounts  
465 and to such persons as Lender may deem appropriate. Nothing contained herein shall be  
466 construed to require Lender to advance or expend monies for any purpose.

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467           20.   Rights Cumulative. Each right herein conferred upon Lender is cumulative and in  
468 addition to every other right provided by law or in equity, and Lender may exercise each such  
469 right in any manner deemed expedient to Lender. Lender's exercise or failure to exercise any  
470 right shall not be deemed a waiver of that right or any other right or a waiver of any default.  
471 Except as otherwise specifically required herein, Lender is not required to give notice of its  
472 exercise of any of its right under this Mortgage.

473           21.   Successors and Assigns.

474           21.1 Holder of the Note. This Mortgage and each provision hereof shall be  
475 binding upon Borrower and its successors and assigns (including, without limitation, each and  
476 every record owner from time to time of the Premises or any other person having an interest  
477 therein), and shall inure to the benefit of Lender and its successors and assigns. Wherever herein  
478 Lender is referred to, such reference shall be deemed to include the holder from time to time of  
479 the Note; and each such holder of the Note shall have all of the rights afforded hereby and may  
480 enforce the provisions hereof, as fully as if Lender had designated such holder of the Note herein  
481 by name.

482           21.2 Covenants Run with Land; Successor Owners. All of the covenants of this  
483 Mortgage shall run with the Land and be binding on any successor owners of the Land. If the  
484 ownership of Premises or any portion thereof becomes vested in a person other than Borrower,  
485 Lender may, without notice to Borrower, deal with such person with reference to this mortgage  
486 and the Indebtedness in the same manner as with Borrower without in any way releasing  
487 Borrower from its obligations hereunder. Borrower will give immediate written notice to Lender  
488 of any conveyance, transfer or change of ownership of the Premises, but nothing in this  
489 Paragraph shall vary the provisions of Paragraph 12 hereof.

490           22.   Effect of Extensions and Amendments. If the payment of the Indebtedness be  
491 extended or varied, or if any part of the security or guaranties therefor be released, all persons at  
492 any time liable therefor, or interested in the Premises, shall be held to assent to such extension,  
493 variation or release, and their liability, and the lien, and all provisions hereof, shall continue in  
494 full force and effect; the right of recourse against all such persons being expressly reserved by  
495 Lender, notwithstanding any such extension, variation or release. Any person, firm or  
496 corporation taking a junior mortgage, or other lien upon the Premises or any part thereof or any  
497 interest therein, shall take the said lien subject to the rights of Lender to amend, modify, extend  
498 or release the Note, this Mortgage or any other document or instrument evidencing, securing or  
499 guarantying the Indebtedness, in each case without obtaining the consent of the holder of such  
500 junior lien and without the lien of this Mortgage losing its priority over the rights of any such  
501 junior lien.

502           23.   Environmental Matters. Borrower represents that it is currently in compliance  
503 with, and covenants and agrees that, it will manage and operate the Premises and will cause each  
504 tenant to occupy its demised portion of the Premises in compliance with, all federal, state and  
505 local laws, rules, regulations and ordinances regulating, without limitation, air pollution, soil and  
506 water pollution, and the use, generation, storage, handling or disposal of hazardous or toxic

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507 substances or other materials (including, without limitation, raw materials, products, supplies or  
508 wastes). Borrower further covenants and agrees that it shall not install or permit to be installed  
509 in the Premises asbestos or any substance containing asbestos and deemed hazardous by or in  
510 violation of federal, state or local laws, rules, regulations or orders respecting such material.  
511 Borrower shall send to Lender within five (5) days of receipt or completion thereof, any report,  
512 citation, notice or other writing including, without limitation, hazardous waste disposal  
513 manifests, by, to or from any governmental or quasi-governmental authority empowered to  
514 regulate or oversee any of the foregoing activities. Borrowers shall remove from the Premises  
515 and dispose of any such hazardous or toxic substances or other materials in a manner consistent  
516 with and in compliance with applicable laws, rules, regulations and ordinances and shall take any  
517 and all other action to remedy, rectify, rehabilitate and correct any violation of any applicable  
518 law, rule, regulation or ordinance concerning toxic or hazardous substances or any violation of  
519 any agreement entered into between Borrower, Lender and/or any third party with respect to  
520 hazardous or toxic materials. Borrower agrees to indemnify, defend with counsel reasonably  
521 acceptable to Lender (at Borrower's sole cost), and hold Lender harmless against any claim,  
522 response or other costs, damages, liability or demand (including without limitation reasonable  
523 attorneys' fees and costs incurred by Lender) arising out of any claimed violation by Borrower of  
524 any of the foregoing laws, regulations or ordinances or breach of any of the foregoing covenants  
525 or agreements. The foregoing indemnity shall survive repayment of the Indebtedness.

526         24. Future Advances. At all times, regardless of whether any loan proceeds have  
527 been disbursed, this Mortgage secures as part of the Indebtedness the payment of all loan  
528 commissions, service charges, liquidated damages, attorney's fees, expenses and advances due to  
529 or incurred by Lender in connection with the Indebtedness, all in accordance with the Note and  
530 this Mortgage; provided, however, that in no event shall the total amount of the Indebtedness,  
531 including loan proceeds disbursed plus any additional charges, exceed two hundred percent  
532 (200%) of the face amount of the Note. All such advances are intended by the parties hereto to  
533 be a lien on the premises from the time this Mortgage is recorded, as provided in the Act.

534         25. Subrogation. If any part of the Indebtedness is used directly or indirectly to  
535 satisfy, in whole or in part, any prior encumbrance upon the Premises or any part thereof, then  
536 Lender shall be subrogated to the rights of the holder thereof in and to such other encumbrance  
537 and any additional security held by such holder, and shall have the benefit of the priority of the  
538 same.

539         26. Governing Law. The place of negotiation, execution, and delivery of this  
540 Mortgage and the location of the Property being the State of Illinois, this Mortgage shall be  
541 construed and enforced according to the laws of that State, without reference to the conflicts of  
542 law principles of that State.

543         27. Inspection of Premises and Records. Borrower shall keep and maintain full and  
544 correct books and records showing in detail the income and expenses of the Premises. Lender  
545 and its agents shall have the right to inspect the Premises and all books, records and documents  
546 relating thereto at all reasonable times.

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547 28. Time of the Essence. Time is of the essence of the Note, this Mortgage, and any  
548 other document or instrument evidencing or securing the Indebtedness.

549 29. Captions and Pronouns. The captions and headings of the various sections of this  
550 Mortgage are for convenience only, and are not to be construed as limiting in any way the scope  
551 or intent of the provisions hereof. Whenever the context requires or permits, the singular shall  
552 include the plural, the plural shall include the singular, and the masculine, feminine and neuter  
553 shall be freely interchangeable.

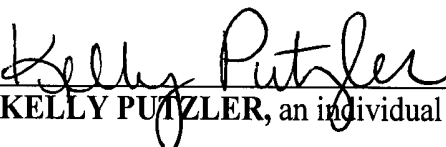
554 30. Notices. Any notice or other communication which any party hereto may desire  
555 or may be required to give to any other party hereto shall be in writing, and shall be deemed  
556 given when (i) personally delivered, (ii) upon receipt if sent by a nationally recognized overnight  
557 courier addressed to a party at its address set forth above, or (iii) on the second business day after  
558 being deposited in United States registered or certified mail, postage prepaid, addressed to a  
559 party at its address set forth above, or to such other address as the party to receive such notice  
560 may have designated to the other party by notice in accordance herewith.

561 Except as otherwise specifically required herein, notice of the exercise of any right,  
562 power or option granted to Lender by this Mortgage is not required to be given.

563  
564

565   
566 \_\_\_\_\_  
567 **THOMAS R. PUTZLER**, an individual

568

569   
570 \_\_\_\_\_  
571 **KELLY PUTZLER**, an individual

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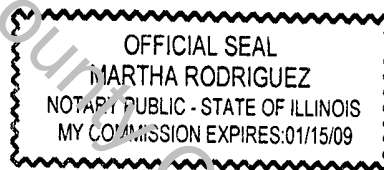
572 STATE OF ILLINOIS            )  
 573    ) SS.  
 574 COUNTY OF COOK            )  
 575

576 I HEREBY CERTIFY that on this 30th day of January, 2005, before me a Notary  
 577 Public for the state and county aforesaid, personally appeared **THOMAS R. AND KELLY**  
 578 **PUTZLER**, known to me or satisfactorily proven to be the same persons whose name are  
 579 subscribed to the foregoing instrument, who acknowledged that they have executed such  
 580 instrument on their own behalf for the purposes therein set forth as their own free and voluntary  
 581 act.

582  
 583 IN WITNESS WHEREOF, I have set my hand and Notarial Seal the day and year first above  
 584 written.

585 *Martha Rodriguez*  
 586 NOTARY PUBLIC  
 587

588 Expires: 01-15-09  
 589



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590

## EXHIBIT A

591

## LEGAL DESCRIPTION OF THE LAND

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593

LOT 2 IN GERALD TIENSTRA ESTATE SUBDIVISION, BEING A RESUBDIVISION OF PART OF

594

LOT 7 IN W. K. GORE'S SUBDIVISION OF THE WEST HALF OF THE WEST HALF OF THE

595

NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE

596

PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

597

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## LEGAL DESCRIPTION - EXHIBIT A

Legal Description: LOT 2 IN GERALD TIENSTRA ESTATE SUBDIVISION, BEING A RESUBDIVISION OF PART OF LOT 7 IN W.K. GORE'S SUBDIVISION OF THE WEST HALF OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index #'s: 29-32-100-036-0000, 29-32-100-037-0000, 29-32-100-039-0000 Vol. 0218

Property Address: 17811 Ashland Avenue, Homewood, Illinois 60430

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