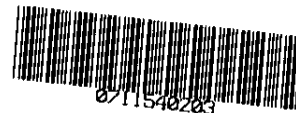


07-00513 0573  
**JUNIOR MORTGAGE AND  
COLLATERAL ASSIGNMENT  
OF LEASES AND RENTS**

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Doc#: 0711540203 Fee: \$48.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 04/25/2007 02:44 PM Pg: 1 of 13

**Property:**

3543 N. Claremont

Chicago, IL 60618

PIN: ~~14-19-301-009-0000~~

~~13-13-130-002~~

**Prepared By and Mail To:**

Brian J. Mulhern

907 N. Elm, Suite 305

Hinsdale, IL 60521

This JUNIOR MORTGAGE ("Mortgage") is executed this 11th day of April, 2007, by LANCE P LAWSON ("Lawson" or "Mortgagor"), now of 3543 N. Claremont, Chicago, IL, in favor of VENCAP FINANCIAL, LLC, <sup>an unmarried man</sup> an Illinois limited liability company ("Vencap" or "Mortgagee").

**WHEREAS**, in accordance with a Business Loan Agreement between Lawson and James A Wetzel ("Wetzel") as Borrowers and Mortgagee as Lender dated April 11, 2007 ("Business Loan Agreement"), Lawson and Wetzel have executed a Promissory Note in favor of Vencap dated April 11, 2007 with a one-year Term and having a Principal amount of \$ 410,400.00 ("Note"); and

**WHEREAS**, the execution and delivery of this Junior Mortgage as part of the collateral security for such Note is a condition to Vencap's obligation to fund the business loan evidenced by the Note; and

**NOW, THEREFORE**, in consideration of the foregoing recitals (which are made a part of this instrument), in consideration of the Business Loan Agreement, in consideration of the sum of \$ 410,400.00 named in the Note, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged:

**A. GRANT OF MORTGAGE.**

1. **Grant as Collateral Security.** Mortgagor hereby MORTGAGES, GRANTS AND CONVEYS to Mortgagee the real estate owned by him located at 3543 N. Claremont, Chicago, IL 60618, which is legally described on Exhibit "A" attached hereto ("the Property"), in order to secure: (a) The repayment of the Indebtedness evidenced by the Note, with Interest thereon, and any and all renewals, extensions and modifications thereof; (b) The payment of all other sums, with Interest, advanced in accordance herewith to protect the security of this Mortgage; and (c) The performance of the covenants and agreements of Mortgagor herein contained.

2. **Subject Only To.** This Junior Mortgage is subject only to: (a) Mortgage dated March 7, 2005 and recorded March 14, 2005 as document 0507308093 made by Mortgagor in favor of Fifth Third Mortgage Co. to secure a Note for \$ 500,000.00 ("First Mortgage"); and (b) Mortgage dated April 8, 2005 and recorded May 12, 2005 as document 0513215059 made by Mortgagor in favor of Fifth Third Bank to secure a Note for \$ 149,000.00 ("Second Mortgage").

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**B. MORTGAGOR EXPRESSLY AGREES THAT THE PROPERTY IS CONVEYED AND MORTGAGED TO MORTGAGEE:**

1. TOGETHER WITH all buildings and improvements now or hereafter constructed upon said Property or any part thereof, any and all heretofore or hereafter vacated alleys and streets abutting said Property, and all fixtures and equipment located thereon or installed hereafter, said fixtures and equipment being pledged primarily and on a parity with said Property and which shall be deemed to be part of the Property to the extent they are permanently affixed thereto;

2. TOGETHER WITH any and all rents, issues, profits and leases thereof for so long and during all such times as Mortgagor and successors and assigns may be entitled thereto, and all tenements, hereditaments, easements and appurtenances affecting the Property; and

**C. MORTGAGOR ALSO HEREBY COVENANT AND AGREE AS FOLLOWS:**

1. **Preservation and Maintenance of Property.** Mortgagor will abstain from and will not permit the commission of waste on the Property and will keep the buildings, improvements, fixtures and equipment now or hereafter thereon in good repair and will make replacements thereto as and when the same become necessary. Mortgagor shall promptly notify Mortgagee in writing of the occurrence of any loss or damage to the Property. Mortgagor shall not materially alter the buildings, improvements, fixtures or equipment now or hereafter upon said Property, or remove the same therefrom, or permit any tenants or other person to do so, without the prior written consent of the Mortgagee. Mortgagor will not permit any portion of the Property to be used for any unlawful purposes. Mortgagor covenants and agrees that, in the ownership, operation and management of the Property, Mortgagor will observe and comply with all applicable federal, state and local statutes, ordinances, regulations, orders and restrictions including, without limitation, all zoning, building code and environmental protection ordinances, regulations, orders and restrictions.

2. **Charges and Liens.** Mortgagor shall pay when due all taxes and assessments that may be levied on said Property, and shall promptly deliver to Mortgagee receipts showing payment thereof. Mortgagor shall pay when due all taxes and assessments that may be levied upon or on account of this Mortgage or the indebtedness secured hereby or upon the interest or estate in said Property created or represented by this Mortgage whether levied against Mortgagor or otherwise.

3. **Insurance.** Mortgagor shall keep the Property and all buildings, improvements, fixtures and equipment now or hereafter thereon adequately insured. The policies of insurance shall be in form, with insurers, and in such amounts as may be reasonably satisfactory to Mortgagee. Mortgagor shall deliver to Mortgagee the original (or certified) copy of each policy of insurance, or a certificate of insurance, and evidence of payment of all premiums for each Such policy. Such policies of insurance shall contain a standard mortgagee clause naming Mortgagee as mortgagee thereunder, as its interests may appear, and shall provide that the insurance companies will give Mortgagee at least thirty (30) days' written notice before any such policy or policies of insurance shall be altered or cancelled and that no act or default of Mortgagor or any other person or entity shall affect the right of Mortgagee to be covered under such policy or policies of insurance in case of loss or damage. Mortgagor hereby directs all Insurers under such policies of insurance to pay all proceeds payable thereunder to Mortgagee as its interests may appear.

4. **Protection of Mortgagee's Security.** If default is made by Mortgagor in the payment of any of the aforesaid taxes or assessments, in keeping the Property in a proper state of maintenance and repair, or in performing any other covenant of Mortgagor herein, Mortgagee may at its option and without any obligation on its part so to do, pay said taxes and assessments, make such repairs and perform such maintenance, and perform any other covenant of Mortgagor herein. All reasonable amounts expended by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagor to Mortgagee forthwith on demand.

5. **Reimbursement for Mortgagee Legal Expenses.** Should Mortgagee incur any cost or expense, including attorneys' fees, in enforcing its rights hereunder or in protecting the Property, whether or not any legal action is filed, or in the event that Mortgagee is made a party to any suit or proceeding by reason of the interest of Mortgagee in the Property, or if Mortgagee institutes proceedings to foreclose the mortgage granted hereunder, Mortgagor shall reimburse Mortgagee for all reasonable costs and expenses, including reasonable attorneys' fees, incurred by Mortgagee in connection therewith. All amounts incurred by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagor to Mortgagee forthwith on demand.

6. **Acceleration.** Should a default occur as specified in Paragraph C (16) herein or under the Note, or in the event judicial proceedings are instituted to foreclose a lien upon the mortgaged Property or any part thereof, Mortgagee may at any time after such default, and without notice, declare the principal balance of the indebtedness secured hereby, together with interest thereon, to be due and payable immediately. The commencement of proceedings to foreclose this Mortgage shall, in any event, be deemed Such declaration. In addition to any right or remedy which Mortgagee may now or hereafter have by law, Mortgagee shall have the right and power: (a) to foreclose this Mortgage by legal action as provided by Illinois law and the rules of practice relating thereto; and (b) to enter upon and take possession of the Property with the irrevocable consent of Mortgagor as given and evidenced by its execution of this instrument, and as Mortgagee in possession, let the Property, and receive all the rents, issues and profits thereof, which are overdue, due or to become due, and to apply the same, after the payment of all reasonable charges and expenses deemed by Mortgagee to be necessary, on account of the indebtedness secured hereby, Mortgagor for himself and any subsequent owner(s) of the Property hereby agreeing to pay to Mortgagee in advance a reasonable rent for the Property occupied by Mortgagor, and in default of so doing hereby agree that they may be dispossessed by the usual legal proceedings available against any defaulting tenant of real estate and further agreeing to permit any action to be brought in Mortgagor's name to dispossess any tenant defaulting in the payment of rent to Mortgagee or violating the terms of its occupancy, which right and power are effective and may be enforced either with or without any action to foreclose this Mortgage.

7. **Application of Proceeds of Foreclosure.** Upon a foreclosure sale of the Property or any part thereof, the proceeds of such sale shall be applied in the following order:

a. **Costs.** To the payment of all costs of the sale of foreclosure, including reasonable attorneys' fees and the costs of title searches and abstracts;

b. **Foreclosure Expenses.** To the payment of all other expenses of Mortgagee incurred in connection with the foreclosure, including all money expended by Mortgagee and all other amounts payable by Mortgagor to Mortgagee hereunder;

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 c. Indebtedness. To the payment of the Principal, Interest and other Indebtedness in the Note secured hereby; and

d. Surplus. The surplus, if any, to Mortgagor or to whomever else is lawfully entitled thereto.

8. Waiver of Homestead; Waiver of Redemption.

a. Waiver of Homestead. To the extent permitted by applicable law, **MORTGAGOR WAIVE AND RELEASE ALL RIGHTS AND BENEFITS UNDER AND BY VIRTUE OF THE HOMESTEAD EXEMPTION LAWS OF THE STATE OF ILLINOIS AND ALL OTHER EXEMPTION LAWS, MORATORIUM LAWS OR OTHER LAWS LIMITING THE ENFORCEMENT HEREOF.**

b. Waiver of Redemption. To the extent permitted by applicable law, **MORTGAGOR WAIVES ANY AND ALL RIGHTS OF REDEMPTION UNDER ANY JUDGMENT OF FORECLOSURE OF THIS MORTGAGE, AND ANY REDEMPTION RIGHTS GRANTED BY ILLINOIS LAW, ON BEHALF OF MORTGAGOR, AND EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN OR TITLE TO THE MORTGAGED PROPERTY AS OF OR SUBSEQUENT TO THE DATE OF THIS MORTGAGE. FURTHER, MORTGAGOR HEREBY WAIVES THE BENEFIT OF ALL APPRAISEMENT, VALUATION, STAY OR EXTENSION LAWS, AND ANY REINSTATEMENT RIGHTS PROVIDED BY ILLINOIS LAW, NOW OR HEREAFTER IN FORCE, AND ALL RIGHTS OF MARSHALLING IN THE EVENT OF ANY SALE HEREUNDER OF THE MORTGAGED PROPERTY OR ANY PART THEREOF OR ANY INTEREST THEREIN.**

9. Receiver; Mortgagee in Possession. Upon or at any time after the filing of any bill, complaint or petition to foreclose this Mortgage, the court may, upon application of Mortgagee, place Mortgagee in possession or appoint a receiver of the mortgaged Property. Such appointment may be made either before or after the sale, without notice, and without regard to the solvency or insolvency, at the time of application for appointment, of the person or persons, if any, liable for the payment of the indebtedness secured hereby and without regard to the then value of the mortgaged Property or whether the same shall be then occupied as a homestead or not, and without bond being required of the applicant. Such receiver or mortgagee in possession, to the extent permitted by law, shall have the power to take possession, control and care of the Property, and to collect the rent, issues and profits of the Property during the pendency of such foreclosure, and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when Mortgagor, his heirs, personal representatives and assigns, except for the intervention of such mortgagee in possession or receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Property, during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of:

a. Management Costs. The costs of management of the Property and collection of rents including, but not limited to, the fees of the receiver or mortgagee in possession, premiums for receiver's bonds and reasonable attorneys' fees;



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b. **Indebtedness.** The Indebtedness secured hereby or of any judgment foreclosing this Mortgage or any tax, special assessment or other lien which may be or become superior to the lien hereof, or of such judgment, provided such application is made prior to the foreclosure sale; and

c. **Deficiency.** The deficiency in case of sale and deficiency. Any such proceeding shall in no manner prevent or retard the collection of said Indebtedness by foreclosure or otherwise.

10. **Condemnation.** Any and all awards hereafter made or to be made to the present and all subsequent owners of the Property, by any governmental or other lawful authority for taking, by condemnation or eminent domain, the whole or any part of the Property or any improvement located thereon or any easement therein or appurtenant thereto (including any award from the United States government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for payment thereof), are hereby assigned by Mortgagor to Mortgagee, which award Mortgagee is hereby authorized to collect and receive from the condemnation authorities, and Mortgagee is hereby authorized to give appropriate receipts therefor. Mortgagor covenant and agree that they will give Mortgagee immediate notice of the actual or threatened commencement of any such proceedings under condemnation or eminent domain affecting all or any part of the Property or any easement therein or appurtenance thereto including severance and consequential damage and change in grade of streets and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor further covenants and agrees to make, execute and deliver to Mortgagee, at any time or times upon request, free, clear and discharged of any encumbrances of any kind whatsoever, any and all further assignments and/or instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter to be made to Mortgagor for any taking, either permanent or temporary, under any such proceeding. Mortgagee shall make available the proceeds of any award received in connection with and in compensation for any such damage or taking for the purpose of rebuilding and restoring so much of the improvements within the Property affected thereby, subject to the following conditions:

a. **No Default.** That Mortgagor is not then in default under any of the terms, covenants and conditions of any of the Loan Documents (as hereinafter defined);

b. **Leases.** That all then existing leases affected in any way by such damage or taking shall continue in full force and effect without reduction or abatement of rental (except during the period of untenability);

c. **Restoration of Improvements.** That Mortgagee shall first be given satisfactory proof that such improvements have been fully restored or that by the expenditure of such money will be fully restored, free and clear of all liens, except as to the lien/encumbrance of the First Mortgage and the Second Mortgage and the lien of this Junior Mortgage;

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 d. Insufficiency of Award. That in the event such award shall be insufficient to restore or rebuild the said improvements, Mortgagor shall deposit promptly with Mortgagee the amount of such deficiency, which, together with the award proceeds, shall be sufficient to restore and rebuild the Property;

e. Failure to Rebuild. That in the event Mortgagor shall fail within a reasonable time, subject to delays beyond their control, to restore or rebuild the said improvements, Mortgagee, at its option, may restore or rebuild the said improvements for or on behalf of Mortgagor and for such purpose may do all necessary acts; and

f. Excess. That the excess of said award not necessary for completing such restoration shall be applied as hereinafter provided as a credit upon any portion, as selected by Mortgagee, of the indebtedness secured hereby.

If any of said conditions is not or cannot be satisfied, then the proceeds shall be paid over to Mortgagee and be applied toward the payment of all amounts payable by Mortgagor to Mortgagee, whether or not then due and payable. Under no circumstances shall Mortgagee become personally liable for the fulfillment of the terms, covenants and conditions contained in any leases of the Property nor obligated to take any action to restore the said improvements.

11. Business Purpose. Mortgagor as an obligor under the Note warrants that the proceeds received under the Note as secured by this Mortgage will be used solely for a business purpose.

12. Severability. Nothing contained herein or in the or any transaction related thereto shall be construed or shall so operate either presently or prospectively: (a) to require Mortgagor to pay interest at a rate greater than is now lawful in such case to contract for, but shall require payment of interest only to the extent of such lawful rate; or (b) to require Mortgagee to make any payment or do any act contrary to law, and if any clause or provision herein contained shall otherwise so operate to invalidate this Mortgage, in whole or in part, then such clauses and provisions only shall be held for naught as though not herein contained and the remainder of this Mortgage shall remain operative and in full force and effect, and Mortgagee shall be given a reasonable time to correct any error.

13. Releases; Modifications. Mortgagee may release the Property as security for the Indebtedness secured hereby without in any way affecting the liability of any party to the Note or any other Security given for the Indebtedness secured hereby. Mortgagee also may agree to extend, renew or modify the Indebtedness under the Note and any such extension, renewal or modification shall be deemed secured hereby, whether or not any express modification of this Mortgage is executed or recorded.

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**UNOFFICIAL COPY****14. Environmental Warranty.**

a. **Representations and Warranties.** Mortgagor hereby represents and warrants to Mortgagee that neither Mortgagor nor, to best of Mortgagor's knowledge after reasonable investigation, any other person or entity, has ever caused or permitted any Hazardous Material (as hereafter defined) to be placed, held, located or disposed of on, under or at the Property or any part thereof, and that the Property have never been used by Mortgagor or, to the best of Mortgagor's knowledge after reasonable investigation, by any other person or entity as a temporary or permanent dump or storage site for any hazardous, toxic or dangerous waste, substance or material defined as such in (or for the purposes of) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, any so-called "Superfund" or "Superlien" law, and shall include, but shall not be limited to, any substances, materials or wastes that are regulated by any local governmental authority, the State of Illinois or the United States of America because of toxic, flammable, explosive, corrosive, reactive, radioactive or other properties that may be hazardous to human health or environment, including petroleum products, asbestos and including any material or substances that are listed in the United States Department of Transportation Hazardous Material Table, as amended, 49 C.F.R. 172.101, or in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. subsections 9601 et seq., or the Resources Conservation and Recovery Act, as amended, 42 U.S.C. subsections 6901, et seq., or any other applicable governmental law or regulation imposing liability or standards of conduct concerning any hazardous, toxic or dangerous Substances, waste or material, as now or at any time hereafter in effect.

b. The representations and warranties made in this Paragraph C (14) shall survive:

- (1) the sale, transfer or conveyance of all or any portion of the Property;
- (2) the foreclosure of any liens on the Property by Mortgagee or a third party or the conveyance thereof by deed in lieu of foreclosure; and
- (3) repayment of all Indebtedness due and payable under the Note; and

**15. Warrant and Defense of Title.** At the time of the execution and delivery of this instrument, Mortgagor owns the Property in fee simple, free of all liens and encumbrances whatsoever, subject to the lien/encumbrance of the First Mortgage and the Second Mortgage. Mortgagor will forever warrant and defend the same against any and all claims whatsoever, and the lien created hereby is and will be kept a lien upon the Property and every part thereof, subordinate only to the lien of the First Mortgage and the Second Mortgage. Mortgagor shall pay when due all real estate taxes, water charges, sewer service charges and all other amounts which might become a lien upon the Property prior to this Mortgage and shall, upon written request, furnish to Mortgagee duplicate receipts therefor.

# 16. Default UNOFFICIAL COPY

a. **Events of Default.** The occurrence of any of the following events or conditions shall constitute a default hereunder ("Event of Default"):

- (1) An "Event of Default" occurs under the Note or the Business Loan Agreement;
- (2) An "Event of Default" occurs under the First Mortgage or the Second Mortgage;
- (3) Mortgagor fails to perform or observe any term, covenant or condition in this Mortgage;
- (4) A petition under the Federal Bankruptcy Laws or any similar law, state or federal, whether now or hereafter existing, is filed by or against Mortgagor which is not dismissed within forty-five (45) calendar days thereafter;
- (5) A trustee or a receiver is appointed for all or any portion of the Property, for Mortgagor or for a substantial portion of Mortgagor's assets;
- (6) Mortgagor makes an assignment for the benefit of creditors;
- (7) Any statement or certificate of any type, including all financial statements of Mortgagor previously submitted to Mortgagee is materially false, incorrect or incomplete;
- (8) Mortgagor suffers final judgment for payment of money aggregating in excess of five percent (5%) of the total balance due Mortgagee under the Note;
- (9) A judgment creditor of Mortgagor obtains a lien on or possession of any part of Mortgagor's assets or of the Property by any means, which is not discharged or released within forty-five (45) calendar days thereafter;
- (10) A notice of lien, levy or assessment is delivered to Mortgagor is filed of record with respect to the Property or any part of Mortgagor's assets, by the United States or any department, instrumentality or agency thereof, or by any state, county, municipal or other governmental agency;
- (11) There occurs any material uninsured damage or destruction to the Property or any personal property located thereon; and
- (12) Mortgagor mortgages, grants or conveys the Property to any person or entity other than Mortgagee.

b. **Acceleration.** Upon the occurrence of an Event of Default hereunder, the entire Indebtedness and all obligations secured hereby shall, at the option of Mortgagee, upon notice to Mortgagor, become immediately due and payable, and, thereupon, or at any time during the existence of any such default, Mortgagee may proceed to foreclose this Mortgage by judicial proceedings according to the statutes in such case provided, and any failure to exercise said option shall not constitute a waiver of the right to exercise the same at any other time. Mortgagee shall additionally have the right to file an action at law on the Note and to avail itself of any other remedy provided for by the Note, the Business Loan Agreement, or by applicable law, which remedies shall be concurrent and may be pursued simultaneously.



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c. Foreclosure In any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether or not the entire Principal sum under the Note secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof, or before or after sale thereunder, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the Property, or any part thereof, personally or by its agents or attorneys, as for condition broken and Mortgagee in its discretion may enter upon and take and maintain possession of all or any part of the Property, together with all documents, books, records, papers and accounts of Mortgagor or the then owner of the Property relating to the ownership, operation and maintenance of the Property, and may exclude Mortgagor, any Guarantors of the Note, and their agents or servants, wholly therefrom and may, as attorney in fact or agent of the Mortgagee, or in its own name as Mortgagee and under the powers herein granted:

(1) hold, operate, manage and control the Property, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues and profits of the Property including actions for recovery of rent, actions in forcible detainer and actions in distress for rent, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor;

(2) cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagee to cancel the same;

(3) elect to affirm or disaffirm any lease or sublease made subsequent to this Mortgage or subordinated to the lien hereof,

(4) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Property as Mortgagee may deem judicious;

(5) insure and reinsure the Property against all risks incidental to Mortgagee's possession, operation and management thereof and receive all avails, rents, issues and profits therefrom; and

(6) extend or modify any then existing leases and make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Note and the date of issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interest in the Property are subject to the lien hereof and to be binding also the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser; and



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d. **Rents, Etc.** Any avails, rents, issues and profits of the Property received by Mortgagee after having possession of the Property or pursuant to any assignment thereof to Mortgagee under the provisions of this Mortgage shall be applied in payment of or on account of the following, in such order as Mortgagee (or in case of a receivership, as the court) may determine in its reasonable business judgment:

(1) to the payment of the operating expenses of the Property, including reasonable compensation to Mortgagee or the receiver and its agent or agents, if management of the Property has been delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases, established claims for damages, if any, and premiums on insurance hereinabove authorized;

(2) to the payment of taxes, special assessments and water taxes now due or which may hereafter become due on the Property, or which may become a lien prior to the lien of this Mortgage;

(3) to the payment of all reasonable repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Property, to place said Property in such condition as will, in the reasonable judgment of Mortgagee or receiver, make it readily saleable or rentable; and

(4) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale

17. **Transfer of Property.** If all or any part of the Property is sold, transferred, conveyed, assigned or alienated (which shall include the execution of any form of installment agreement for deed) by Mortgagor without the Mortgagee's prior written consent, Mortgagee may, at Mortgagee's option, declare all the sums secured by this Mortgage to be immediately due and payable without notice.

18. **Notices.** All notices hereunder shall be in writing. If to the Mortgagee, notice shall be sent to Vencap Financial, LLC, 120 East Ogden Avenue, Suite 124, Hinsdale, IL 60521 (Attention: Norman J. Beles, Manager), or at such other place as the Mortgagee may from time to time in writing direct. All notices hereunder to Mortgagor shall be sent to 3543 N. Claremont, Chicago, IL 60618, or at such other place as the Mortgagor may from time to time direct in writing. All notices required to be given hereunder shall be addressed to the party to whom the notice is to be given at the party's last known address and may be sent: (i) by hand delivery (effective upon delivery to the party); (ii) by prepaid Certified U.S. Mail with return receipt requested (effective on second business day after postmark date or upon or refusal of delivery); or (iii) by nationally-recognized overnight courier (effective one business day after deposit with the overnight courier for overnight delivery). Any party may change its address for notices by giving formal written notice to the other party, specifying that the purpose of the notice is to change the party's address.



**19. Remedies Cumulative.** Each and all of the rights, remedies and benefits provided to Mortgagee herein shall be cumulative and shall not be exclusive of any other rights, remedies or benefits provided by the Note, by any other Security Document for the Note, or of any other rights, remedies or benefits allowed by law. Any waiver by Mortgagee of any default shall not constitute a waiver of any similar or other default.

**20. Successors and Assigns Bound; Joint and Several Liability; Captions.** All of the covenants and conditions hereof shall run with the land and shall be binding upon and inure to the benefit of Mortgagor and Mortgagee and their respective executors, administrators, representatives, heirs, beneficiaries, successors and assigns and all persons claiming through or under them. Any reference herein to Mortgagee shall include the successors and assigns of Mortgagee. The captions and headings of the paragraphs of this Mortgage are for convenience and are not to be used to interpret or define the provisions hereof. Notwithstanding anything in this Mortgage to the contrary, Mortgagor may not assign, transfer or convey in any manner any of its rights, obligations or liabilities hereunder without the prior written consent of Mortgagee, which consent may be withheld or granted by Mortgagee in its sole and absolute discretion for any reason whatsoever.

**21. Gender and Number.** All nouns, pronouns and relative terms relating to Mortgagor shall be deemed to be masculine, feminine or neuter, singular or plural, as the context may indicate.

**22. Business Loan Agreement.** The terms, conditions and definitions of the Business Loan Agreement are incorporated herein.

**D. ASSIGNMENT OF LEASES AND RENTS.**

**1. Collateral Assignment.** Mortgagor also hereby grants to Mortgagee a Security Interest in, and hereby collaterally assigns, transfers and sets over to Mortgagee, all of Mortgagor's right, title and interest in and to any and all Leases and/or tenancies for the Property (together, "Collaterally Assigned Leases") and the Rents collected thereunder, whether now existing or entered into in the future, as further security upon an Event of Default under the Note.

**2. Conditions.** It is understood and agreed: (a) that Vencap shall not exercise any rights as Lessor/Landlord under any Collaterally Assigned Leases unless and until there is a default under the Business Loan Agreement, the Note, this Junior Mortgage or any other Security Document for the Note, including but not limited to any other Mortgage or Junior Mortgage securing the Note; and (b) that any Lessees/Tenants under the Collaterally Assigned Leases shall pay all Rent and any Additional Rent due to Mortgagor and shall perform all Lessee/Tenant obligations under the Collaterally Assigned Leases on a timely basis in favor of Mortgagor unless and until there is a default under the Business Loan Agreement, the Note, this Junior Mortgage or any other Security Document for the Note.

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3. **Remedies.** In the event of any breach or default under the Business Loan Agreement, the Note (including any and all renewals, extensions, amendments and replacements thereof), Mortgagor agrees that Vencap shall have the right (without prior demand or notice): (a) to receive and to demand/collect Rent under the Colaterally Assigned Leases (if any), upon notice to the Tenants; and (b) to appoint another person or entity to take over and operate the Property as agent for Lessor/Landlord.

**IN WITNESS WHEREOF,** Mortgagor Lance P. Lawson has executed this Junior Mortgage on and as of April 11, 2007.

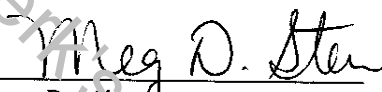


**Lance P. Lawson**

STATE OF ILLINOIS     )  
  )   SS.  
COUNTY OF COOK     )

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that **Lance P. Lawson**, now of 3543 N. Claremont, Chicago, Cook County, IL 60618, personally known to me to be the same person whose name is subscribed to the foregoing instrument (or having produced sufficient identification), appeared before me this day in person and acknowledged that he signed and delivered the said instrument as a free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and Notary Seal  
this 11th day of April, 2007.

  
\_\_\_\_\_  
Notary Public

# UNOFFICIAL COPY

## EXHIBIT "A"

### LEGAL DESCRIPTION

3543 N. Claremont  
Chicago, IL 60618  
PIN: 14-19-301-009-0000

**Lot 48 in Sheldon Estate Subdivision of Block 32, being a Subdivision in Section 19, Township 40 North, Range 14, East of the Third Principal Meridian (except the Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  and the Southeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  thereof and East  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$ ), in Cook County, Illinois.**

Property of Cook County Clerk's Office  
14-19-301-009