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0729734142

After recording please mail to:
MDS Mortgage
2042 W. Churchill
Chicago, IL 60647

Doc#: 0729734142 Fee: \$44.50
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 10/24/2007 03:05 PM Pg: 1 of 11

Prepared by: Morry Sochat

PIN# 1704 122 086 0000
1704 122 089 0000

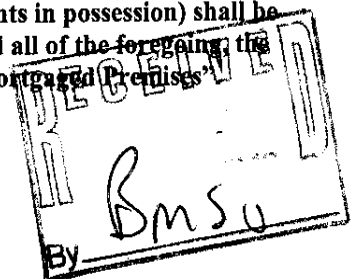
MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (herein "Mortgage") is made this 15th day of October, 2007 between Clybourn Investment Group LLC, ("Mortgagor") and MDS Mortgage, 2042 W. Churchill, Chicago, Illinois 60647, (herein "Mortgagee").

WHEREAS, Mortgagor is indebted to Mortgagee in the principal sum of ONE HUNDRED SIXTEEN THOUSAND FIVE HUNDRED DOLLARS AND 00/100 (\$116,500.00) DOLLARS, which indebtedness is evidenced by Mortgagor's Note of even date herewith (herein "Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on the Maturity Date as defined in the Note.

TO SECURE TO LENDER (a) repayment of the principal interest, and all other amounts payable to Mortgagee on the Note according to its tenor and effect, and all renewals, extensions and modifications thereof and any future advances there under, whether direct or indirect, due or to become due; (b) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and (c) the performance and observance of all covenants, provisions and agreements of Mortgagor herein and in the Note contained or other instrument given to further secure the performance of any obligation secured hereby or in any manner pertaining to the loan evidenced by the Note, including but not limited to the Note and the Mortgage, bearing even date herewith (the "Loan Documents"), and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Mortgagor, Mortgagor does hereby mortgage, grant, convey, assign to Mortgagee all of Mortgagor's right, title, and interest in the real estate located in at 1281 North Clybourn Avenue, Chicago, Illinois, 60610 and legally described in Exhibit "A: attached hereto and made a part hereof.

TOGETHER with all buildings, improvements, and tenements now or hereafter erected on the real estate, and all heretofore or hereafter vacated alleys and streets abutting the real estate, and all easements, rights, appurtenances, rents, profits and awards, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, freezers, appliances and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the real estate including, but not limited to, those for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, water heaters, attached floor coverings and antennas located on the subject real estate, all of which, including replacements and additions thereto (excepting, however, any of the foregoing items which are personal property belonging to tenants in possession) shall be deemed to be and remain a part of the real property covered by this Mortgage; and all of the foregoing, the real estate together with said property are herein collectively referred to as the "Mortgaged Premises".



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Mortgagor covenants that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, convey and assign the Mortgaged Premises, that the Mortgaged Premises are unencumbered, and that Mortgagor will warrant and defend generally the title to the Mortgaged Premises against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title policy insuring Mortgagee's interest in the Mortgaged Premises.

COVENANTS. Mortgagor and Mortgagee covenant and agree as follows:

1. **Payment of Principal and Interest.** Mortgagor shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, and late charged provided in the Note and all other sums secured by this Mortgage.
2. **Application of Payments.** All payments shall be applied to interest, then to principal and other sums due under this Note or the Mortgage.
3. **Charges; Liens.** Mortgagor shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Mortgaged Premises which may attain a priority over this Mortgage by Mortgagor making Payments when due, directly to the payee thereof. Mortgagor shall promptly furnish to Mortgagee all notices of amounts due under this paragraph, and Mortgagor shall promptly furnish Mortgagee receipts evidencing such payments. Mortgagor shall promptly discharge any lien which has priority over this Mortgage; provided, that Mortgagor shall not be required to discharge any such liens so long as Mortgagor: (a) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Mortgagee; (b) shall in good faith contest such lien by, or defend against enforcement of the lien in, legal proceedings which in the opinion of Mortgagee operate to prevent the enforcement of the lien or forfeiture of the Mortgaged Premises or any part thereof and in conjunction therewith fully insure or bond over such lien to Mortgagee's satisfaction; or (c) shall secure from the holder of such lien an agreement in a form satisfactory to Mortgagee fully subordinating such lien to this Mortgage and Mortgagee's other security interests.
4. **Insurance.** The Mortgagor will procure for, deliver to and maintain for the benefit of the Mortgagee during the term of this Mortgage, a policy or policies (a) insuring the Mortgaged Premises against fire, lightning, vandalism, malicious mischief, all other perils insured against under "extended coverage", and such other insurable perils as the Mortgagee may reasonably require, including, without limitation, perils covered under an "additional other perils" endorsement, for the insurable replacement cost of the Mortgaged Premises, (b) affording such other or additional coverage as from time to time may be requested by the Mortgagee, including without limitation, builder's risk insurance, comprehensive general liability insurance, umbrella liability insurance, boiler and pressurized vessel insurance, and, if any part of the Mortgaged Premises is in a flood area (as defined under the Flood Disaster Protection Act of 1973), flood insurance, unless Mortgagee in its sole discretion agrees in writing to waive or suspend the requirements of such flood insurance.

All insurance policies and renewals thereof shall: (a) be in a form and amount acceptable to Mortgagee and (b) shall include a standard mortgagee clause in favor of and in form acceptable to Mortgagee and (c) provide thirty (30) days advance written notice to Mortgagee before cancellation or material modification. Mortgagee shall have the right to hold the policies, and Mortgagor shall promptly furnish to Mortgagee all renewal notices and all receipts of paid premiums. At least thirty (30) days prior to the expiration date of a policy, Mortgagor shall deliver to Mortgagee a renewal policy in form satisfactory to Mortgagee.

In the event of loss, Mortgagor shall give immediate written notice to the insurance carrier and to mortgagee. Mortgagor and Mortgagee shall concurrently and jointly make proofs of loss, adjust and compromise any claim under insurance policies, appear in and prosecute any action arising from such insurance policies, collect and receive insurance proceeds and to deduct therefrom Mortgagee's expenses incurred in the collection of such proceeds; provided however, that nothing contained in this paragraph 4 shall require Mortgagee to incur any expense or take any action hereunder. In the event of a disbursement of insurance proceeds less than \$5,000.00 said funds shall be paid to Mortgagee, and provided loan is not in default, Mortgage shall disburse said funds in accordance with the reasonable instructions of Mortgagor relative to repair of the Mortgaged Premises. In the event of a disbursement of insurance proceeds in the amount of

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\$5,000.00 or more said funds shall be paid to Mortgagee and Mortgagor further authorizes Mortgagee, at Mortgagee's option, (a) to hold the balance of such proceeds to be used to reimburse the cost of reconstruction or repair of the Mortgaged Premises (said proceeds to be held by Mortgagee in an interest bearing savings account with any interest earned being paid to Mortgagor) or (b) in the event an Event of Default then exists or if in Mortgagee's reasonable judgment the value of the Mortgaged Premises and /or the debt to value of collateral ratio of the Loan secured hereby is or if upon reconstruction or repair will be materially adversely affected by such loss, or if such damage or destruction occurs during the last six (6) months of the term of the Note, then to apply the balance of such proceeds of the payment of the sums secured by this Mortgage, whether or not then due, in the order of application set forth in paragraph 2 hereof.

If the insurance proceeds are held by Mortgagee to reimburse Mortgagor for the costs of restoration and repair of the Mortgaged Premises, the Mortgaged Premises shall be restored to the equivalent of its original condition or such other condition as Mortgagee may approve in writing. Mortgagee may, at Mortgagee's option, condition disbursement of said proceeds on Mortgagee's approval of such plans and specifications of an architect satisfactory to Mortgagee, contractor's cost estimates Architect's certificate, waiver of liens, sworn statements of mechanics and materialmen and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Mortgagee may require. If the insurance proceeds are applied to the payment of the sums secured by this Mortgage, any such application of proceeds to principal shall not extend or postpone the due dates of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. If the Mortgaged Premises is sold pursuant to paragraph 14 hereof or if Mortgagee acquires title to the Mortgaged Premises, Mortgagee shall have all of the rights, title and interest of Mortgagor in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Mortgaged Premises prior to such sale or acquisition.

5. **Preservation and Maintenance of Mortgaged Premises.** Mortgagor (a) shall not waste or impairment or deterioration of the Mortgaged Premises, (b) shall not abandon the Mortgaged Premises shall restore or repair promptly and in a good workmanlike manner all or any part of the Mortgaged Premises to the equivalent of its injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall thereof in good repair and shall replace fixtures, equipment, machinery and appliances on the Mortgaged Premises when necessary to keep such items in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Mortgaged Premises laws ordinances, regulations and requirements of any governmental body applicable to the Mortgaged premises and (f) shall give notice in writing to Mortgagee of and, unless otherwise directed by Mortgagee, appear in and defend any action or proceeding purporting to affect the Mortgaged Premises, the security of this Mortgage or the rights of powers of Mortgagee. Neither Mortgagor or any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Mortgaged premises or (except for trade fixtures or equipment belonging to tenants or utilized in the manufacturing business of Mortgagor's beneficiary conducted on the Mortgaged Premises) any fixture, equipment, machinery or appliance in or on the Mortgaged Premises except when incident to the replacement of obsolete or worn fixtures, equipment, machinery and appliances with updated or like new items of like kind.

6. **Protection of Mortgagee's Security.** If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which affects the Mortgaged Premises or title thereto or the interest of Mortgagee therein, including, but not limited to eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Mortgagee at Mortgagee's option may make such appearances, disburse such sums and take such action as Mortgagee deems necessary, in its reasonable discretion, to protect Mortgagee's interest, including, but not limited to, (a) disbursements of attorneys fees, (b) entry upon the Mortgaged Premises to make repairs, (c) procurement of satisfactory insurance as provided in paragraph 4 hereof. Any amounts disbursed by Mortgagee pursuant to this paragraph 6, with interest thereon, shall become additional indebtedness of Mortgagor secured by this Mortgage. Unless Mortgagor and Mortgagee agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement of

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Default Rate stated in the Note. Nothing contained in this paragraph 6 shall require Mortgagee to incur any expense or take any action hereunder.

7. **Inspection.** Mortgagee may make or cause to be made reasonable entries upon and inspections of the Mortgaged Premises.

8. **Books and Records.** Mortgagor shall keep and maintain at all times at Mortgagor's address stated below, or such other place as Mortgagee may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Mortgaged Premises and the financial condition of the Mortgagor. Such books and records shall be subject to examination and inspection at any reasonable time by Mortgagee. Mortgagor shall, within ninety (90) days after the end of each fiscal year of Mortgagor, furnish to Mortgagee the following: (i) financial information relating to the Mortgagor, including Federal and State income tax returns and (ii) financial and operating statements of the Mortgaged Premises for such fiscal year, in reasonable detail, including quarterly operating statements relative to the business operations of Mortgagor's beneficiary, and in any event including such itemized statements of receipts and disbursements as shall enable Mortgagee to determine whether a breach described in paragraph 15 or other default hereunder ("Event of Default") then exists.

Mortgagor shall additionally furnish such other financial information or operating statements as may be required under the other Loan Documents. Such financial and operating statements shall be prepared in a manner acceptable to Mortgagee, and shall include a statement as to whether or not an Event of Default exists hereunder. For purposes of this Paragraph the term "Mortgagor" also means any beneficiary of Mortgagor and any guarantors of the Note.

9. **Condemnation.** Mortgagor shall promptly notify Mortgagee of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Mortgaged Premises, of part thereof, and Mortgagor shall appear in and prosecute any such action or proceeding unless otherwise directed by Mortgagee in writing. Mortgagor authorizes Mortgagee, at Mortgagee's option, as attorney-in-fact for Mortgagor, to commence appear in and prosecute, in Mortgagee's or Mortgagor's name any action or proceeding relating to any condemnation or other taking of the Mortgaged Premises, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking whether direct or indirect, of the Mortgaged Premises, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned to and shall be paid to Mortgagee.

Mortgagor authorizes Mortgagee to apply such awards, payments, proceeds or damages after the deduction of Mortgagee's expense's incurred in the collection of such amounts, at Mortgagee's option, to restoration or repair to the Mortgaged Premises or to payment of the sums secured by this Mortgage, whether or not then due, in the order of application set forth in paragraph 2 hereof, with the balance, if any, to Mortgagor. Any application or proceeds to principal shall be subject to a prepayment penalty, if any, and, unless Mortgagor and Mortgagee otherwise agree in writing, shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. Mortgagor agrees to execute such instruments required in connection with such condemnation or taking as Mortgagee may require.

10. **Mortgagor and Lien Not Released.** From time to time, Mortgagee may, at Mortgagee's option, with five (5) days notice and without obtaining the consent of Mortgagor, Mortgagor's successors or assigns or of any junior lienholders, without liability on Mortgagee's part and notwithstanding Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage, extend the time for payment of said indebtedness or any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefore, modify the terms and time of payment of said indebtedness, release from the lien of this Mortgage any part of the Mortgaged Premises, take or release other or additional security, reconvey any part of the Mortgaged Premises, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Mortgagor to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Any actions taken by Mortgagee pursuant to the terms of this paragraph 10 shall not affect the obligation of Mortgagor

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or Mortgagor's successors or assigns to pay the sums secured by this Mortgage and to observe the covenants of Mortgagor contained herein, and shall not affect the lien or priority of lien on the Mortgaged Premises. Mortgagor shall pay Mortgagee a reasonable service charge, together with such title insurance premiums and attorney's fees as may be incurred at Mortgagee's option for any such action if taken at Mortgagor's request.

11. **Forbearance by Mortgagee Not a Waiver.** Any forbearance by Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Mortgagee of payment of any sum secured by this Mortgage after the due date of such payment shall not be a waiver of Mortgagee's right to either require prompt payment when due of all other sums so secured. Mortgagee's receipt of any awards, proceeds or damages under paragraphs 4 and 9 hereof shall not operate to cure or waive Mortgagor's default in payment of sums secured by this Mortgage.

12. **Restriction on Transfer.** It shall be an immediate breach of this Mortgage if, without the prior written consent of the Mortgagee, any of the following shall occur: if the Mortgagor shall create, effect contract for commitment or consent to or shall suffer or permit any conveyance, sale, assignment, transfer, lease (other than in the ordinary course of business pursuant to fair market lease terms subject to Mortgagee's consent which shall not be unreasonably withheld or delayed) lien, pledge, mortgage, security interest or other encumbrance or alienation of (i) the Mortgaged Premises or any part thereof, or interest therein (ii) all or a portion of the beneficial interest of Mortgagor or change in the power of direction, (iii) all or a portion of the stock of any corporate beneficiary that results or could result in a material change in the identity of the person or entity in control of the corporation; or (iv) any general partner's interest in Mortgagor's beneficiary; in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided that the foregoing provisions of the paragraph 13 shall not apply (i) to the lien of current taxes and assessments not in default, (ii) to the lien of this Mortgage. The provisions of this Paragraph 13 shall be operative with respect to, and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Mortgaged Premises.

13. **Assignment of Rents and Leases: Appointment of Receiver; Mortgagee in Possession.** As part of the consideration for the indebtedness evidenced by the Note, Mortgagor hereby absolutely and unconditionally assigns and transfers to Mortgagee all the rents, revenues, proceeds and deposits (collectively, the "rents") of the Mortgaged Premises, including those now due, past due, or to become due by virtue of any lease or other agreement of the sale, occupancy or use of all or any part of the Mortgaged Premises, regardless of to whom the rents, revenues, proceeds and deposits of the Mortgaged Premises are payable. This Assignment also included assignment for collateral purposes of all right, title and interest of Mortgagor or its beneficiary in and to any other occupancy agreements, leases, licenses, easements or other agreements resulting in revenue or income from the Mortgaged Premises. Mortgagor hereby authorizes Mortgagee or Mortgagee's agents to collect the aforesaid rents, revenues, proceeds and deposits and hereby directs each tenant, occupant, or purchaser, as the case may be, of the Mortgaged Premise to pay such rents and proceeds to Mortgagee or Mortgagee's agents; provided however, that prior to written notice given by Mortgagee to Mortgagor of the Event of Default by Mortgagor relative to any covenant or agreement of Mortgagor in this Mortgage or the other Loan Documents, Mortgagor shall collect and receive all rents, revenues, proceeds and deposits of the Mortgaged Premises as trustee for the benefit of Mortgagee and Mortgagor, to apply the rents, revenues, proceeds and deposits so collected to the sums secured by this Mortgage in the order provided in paragraph 2 hereof with the balance, so long as no Event of Default has occurred, to the amount of Mortgagor, it being intended by Mortgagor and Mortgagee that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Mortgagee to Mortgagor of an Event of Default by Mortgagor of any covenant or agreement of Mortgagor contained in this Mortgage or the other Loan Documents, and without the necessity of Mortgagee entering upon and taking and maintaining full control of the Mortgaged premises in person, by agent or by a court-appointed receiver, Mortgagee shall immediately be entitled to possession of all rents, revenues, proceeds and deposits of the Mortgaged Premises as specified in this paragraph 14 as the same become due and payable, including but not limited to rents revenues, proceeds and deposits then due and unpaid, and all such rents, revenues,

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proceeds and deposits shall immediately upon delivery of such notice be held by Mortgagor as trustee for the benefit Mortgagee only; provided, however, that the written notice by Mortgagee to Mortgagor shall contain a settlement that Mortgagee exercises its rights to such rents, revenues, proceed and deposits. Mortgagor agrees that commencing upon delivery of such written notice of Mortgagor's breach by Mortgagee to Mortgagor, each tenant, occupant or purchaser, as the case may be, of the Mortgaged Premises shall make such rents payable to and pay such rents, revenues, proceed and deposits to Mortgagee or Mortgagee's agents on Mortgagee's written demand to each tenant, occupant or purchaser therefore, as the case may be, delivered to each tenant, occupant or purchaser, as the case may be, by mail or by delivery such demand to each unit, without any liability on the part of said tenant, occupant or purchaser to inquire further as to the existence of a default by Mortgagor.

Mortgagor hereby represents and warrants that Mortgagor has not executed any prior assignment of said rents or leases, that Mortgagor has not performed, and will not perform, any acts or has not executed, and will not execute, and instrument which would prevent Mortgagee from exercising its rights under this paragraph 14, and that at the time of execution of this Mortgage, there has been no anticipation or prepayment of any of the rents, revenues, proceeds or deposits of the Mortgaged Premises. Mortgagor covenants that Mortgagor will not hereafter collect or accept payment of any rents of the Mortgaged Premises more than two months prior to the due dates of such rents. Mortgagor further covenants that Mortgagor will execute and deliver to Mortgagee such further assignments for rents revenues, proceeds or deposits of the Mortgaged Premises as Mortgagee may from time to time request.

Upon occurrence of an Event of Default under this Mortgage or the other Loan Documents, as aforesaid, Mortgagee may in person, by agent or by a court-appointed receiver, enter upon and take and maintain full control of the Mortgaged Premises in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents, revenues, proceeds and deposits of the Mortgaged Premises, the making of repairs to the Mortgaged Premises and the execution or termination of contracts providing for the management or maintenance of the Mortgaged Premises, all on such terms as Mortgagee deems best to protect the security of this Mortgage. In the event Mortgagee elects to seek the appointment of a receiver for the Mortgaged Premises upon Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage, Mortgagor hereby expressly consents to the appointment of such receiver. Mortgagee or the receiver shall be entitled to receive a reasonable fee for so managing the Mortgaged Premises.

All rents, revenues, proceeds and deposits collected subsequent to delivery of written notice by Mortgagee to Mortgagor of an Event of Default under this Mortgage or the other Loan Documents, aforesaid, shall be applied first to the costs, if any, of taking control of and managing the Mortgaged Premises and collecting the rents, revenues, proceeds and deposits including, but not limited to, attorney's fees, premiums on receiver's bonds, costs the Mortgaged Premises, and the costs of discharging and obligations or liability of Mortgagor as lesser, landlord, operator or licensor of the mortgaged Premises and then to the sums secured by this Mortgage. Mortgagee or the receiver shall have access to the books and records used in the operation and maintenance of the Mortgaged Premises and shall be liable to account only for those rents, revenues, proceeds or deposits actually received by Mortgagee. Mortgagee shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Mortgaged Premises by reason of anything done or left undone by Mortgagee under this paragraph 13.

If the rents, revenues, proceeds or deposits of the Mortgaged Premises are not sufficient to meet the costs, if any, of taking control of and managing the Mortgaged Premises and collecting the rents, revenues, proceeds or deposits any funds expended by Mortgagee for such purposes shall become indebtedness of Mortgagor to Mortgagee secured by this Mortgage. Unless Mortgagee and Mortgagor agree in writing to other terms of payments, such amounts shall be payable upon ten (10) days written notice from Mortgagee to mortgagor requesting payment thereof and shall bear interest from the date of disbursement of the Default Rate stated in the Note.

Any entering upon and taking and maintaining of control of the Mortgaged Premises by Mortgagee or the receiver and any application of rents, revenues or proceeds as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Mortgagee under applicable law or provided

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herein. This assignment of rents of the Mortgaged Premises shall terminate at such time as the indebtedness secured hereby is repaid in full and/or this Mortgage ceases to secure indebtedness held by Mortgagee.

14. **Events of Default.** The terms "Event of Default" or "Events of Default", wherever used in this Mortgage shall mean failure by Mortgagor to pay when due any payment under the Note, this Mortgage or any other Loan Document and such failure continues for more than fifteen (15) days.

15. **Acceleration; Remedies.** In case of an Event of Default or violation of Paragraph 13 hereof (Restrictions on Transfer), Mortgagee at Mortgagee's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further notice, presentment or demand and all sums secured by this Mortgage shall bear interest thereafter at the Default Rate defined in the Note and Mortgagee may foreclose this Mortgage by judicial proceeding. Mortgagee may exercise this option to accelerate during and default by the Mortgagor regardless of any prior forbearance. Mortgagee shall be entitled to collect all costs and expenses incurred in pursuit of such remedies, including, but not limited to, attorney's fees, costs of documentary evidence, abstracts and title reports, and other costs of suit and Mortgagee at its option may foreclose this Mortgage by judicial proceeding and/or may invoke any other remedies provided by equity, applicable law or provided herein.

16. **Notice.** Except for any notice required under applicable law, to be given in any other manner, (a) any notice to Mortgagor provided for in this Mortgage or in the Note shall be give by personal service upon Mortgagor or by mailing of such notice by certified mail addressed to Mortgagor at:

Lender: Morry Sochat
2042 W. Churchill
Chicago, Illinois 60647

Borrower: Clybourn Investment Group LLC
1320 N. Wood St.
Chicago, IL 60622

Or to such other address at Mortgagee may designate by notice to Mortgagor as proved herein. Any notice proved for in this Mortgage or in the Note shall be deemed to have been given when personally served as herinabove provided or , if mailed, on deposit of such notice in the United States mail.

17. **Successors and Assigns Bound; Agents, Captions.** The Covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Mortgagee and Mortgagor, subject to the provisions of paragraph 13 hereof. In exercising any rights hereunder or taking any actions provided for herein, Mortgagee may act through its employees, agents, attorneys or independent contractors as authorized by Mortgagee. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

18. **Governing Law Venue, Severability, Excess Interest.** This Mortgage shall, at Mortgagee's option, be governed by the laws of the State of Illinois or the laws of the jurisdiction in which the Mortgaged Premises is located. Venue for all disputes and claims arising from this Mortgage shall, at Mortgagee's option, be in Cook County, Illinois. In the event that any provisions of this Mortgage or the Note conflict with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provisions, and to this end the provisions of this Mortgage and Note are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Mortgagor is interpreted so that any charge provided for in this Mortgage or in the Note, whether considered separately or together with other charges levied in connection with the Mortgage and the Note, violates such law, and Mortgagor is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any , previously paid to Mortgagee in excess of the amounts payable to Mortgagee pursuant to such charges as reduced shall be applied by Mortgagee to reduce the principal of the indebtedness evidenced by the Note (in which case no prepayment penalty shall be applicable) or, at Mortgagee's option, shall e refunded to the Mortgagor. For the purpose of determining

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whether any applicable law limiting the amount of interest or other charges permitted to be collected from Mortgagor has been violated, all indebtedness which is secured by this Mortgage or evidenced by the Note and which constitutes interest, as well as all other charges levied in connection with such indebtedness which constitute interest, shall at Mortgagee's option be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Note.

19. **Waiver.** Notwithstanding the existence of any other security interests in the Mortgaged Premises held by Mortgagee or by any other party, Mortgagee shall have the right to determine the order in which any or all of the Mortgaged Premises shall be subjected to the remedies provided herein. Mortgagee shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Mortgagor and any party who now or hereafter acquires a security interest in the Mortgaged Premises and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein. Mortgagor also waives any right of set-off and/or recoupment Mortgagor may have against Mortgagee. Mortgagor further waives any right Mortgagor may have to demand a jury trial in relation to any action brought by Mortgagee to exercise its remedies, under this Mortgage, the Note or the other Loan Documents. To the extent permitted by law, Mortgagor waives any right of reinstatement and further waives the benefits of all present and future valuation, appraisal, stay, redemption and moratorium laws under any state or federal law.

20. **Indemnification.** (A) Mortgagor agrees to indemnify and hold Mortgagee harmless from any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, decrees, cost and expenses (including reasonable attorney's fees) arising directly or indirectly, in whole or in part, out of the acts and omissions whether negligent, willful or otherwise, of Mortgagor or any of its officers, directors, agents, subagents, or employees, in connection with the Mortgage or as a result of: (i) ownership of the Mortgaged Premises or any part thereof or on the adjoining sidewalks, curbs, vaults and vault space, if any, adjacent parking areas, streets or ways; (ii) any use, non-use or condition of the Mortgaged Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, if any adjacent parking areas, streets or ways; (iii) any failure on the part of the Mortgagor to perform or comply with any of the terms of this Mortgage; or (iv) the performance of any labor or services or the furnishing of any materials or other property with respect to the Mortgaged Premises or any part thereof. Any amounts payable to the Mortgagee under this Paragraph which are not paid within ten (10) days after written demand therefore by the Mortgagee shall bear interest at the Default Rate defined in the Note. The obligations of the Mortgagor under this paragraph shall survive any termination or satisfaction of this Mortgage.

(B) Mortgagor further indemnifies the Mortgagee and agrees to hold the Mortgagee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Mortgagee for, with respect to, or as a direct or indirect result of (i) the presence on or under, or the escape, seepage leakage, spillage, discharge, emission discharging or release from the Mortgaged Premises or any other property legally or beneficially owned (or in which any interest or estate is owned) by the Mortgagor of any Hazardous material (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any so-called "Superfund" or "Superlien" law or any other Federal, state, or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relation to or imposing liability or standards of conduct concerning, any Hazardous Material), or (ii) the presence of any asbestos on or in the Mortgaged Premises (including, without limitation, the cost of removal) regardless of whether or not caused by, or within the control of Mortgagor. For purposes herein, the term "Hazardous Material" means and includes asbestos, PCB's and any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect.

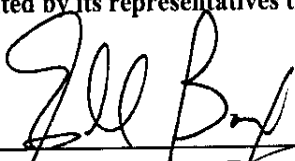
(C) For purposes of the foregoing Paragraph 21, the term Mortgagor shall include any beneficiary or beneficiaries of the Mortgagor.

UNOFFICIAL COPY

21. **Uniform Commercial Code Security Agreement.** This Mortgage is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specific above as part of the Property which, under applicable law, may be subject to security interest pursuant to the Uniform Commercial Code, and Mortgagor hereby grants Bank a security interest in said items. Mortgagor agrees that Bank may file this Mortgage, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this Mortgage or of Mortgagor agrees to execute and deliver to Bank, upon Bank's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproduction of this Mortgage in any form as Bank may require to perfect a security interest with respect to said items. Mortgagor shall pay all costs of filing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Bank may reasonably require. Without the prior written consent of Bank, Mortgagor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Mortgagor's breach of any covenant or agreement of Mortgagor contained in this Mortgage, including the covenants to pay when due all sums secured by this Mortgage, Bank shall have the remedies of a secured party under the Uniform Commercial Code and, at Bank's option, may also invoke the remedies provided in this Mortgage as to such items. In exercising any of said remedies, Bank may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Bank's remedies under the Uniform Commercial Code or of the remedies provided in this Mortgage.

22. **Prepayment Privilege.** At such time as there is no Event of Default under the terms of the Note, the Loan Documents or this Mortgage, the Mortgagor shall have the privilege of making prepayment on the principal of the Note (in addition to the required payments there under).

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage or has caused the same to be executed by its representatives thereunto duly authorized on the date first written above.



 Edward Bozich

STATE OF ILLINOIS)

) SS.

COUNTY OF COOK)

I, KATRINA K. SCHWYN, a Notary Public in and for said County, in the State aforesaid, do hereby certify that EDWARD BOZICH are known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered said instrument s as the free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 15 day of October, 2007.

NOTARY PUBLIC
 My Commission Expires: 



17	04	122	086		497	74009
AREA	SUB-AREA	BLOCK	PARCEL	UNIT	VOLUME	TAX CODE

UNOFFICIAL COPY

DIVISION

Year 1971

Block CODE CHANGE

OFFICE OF THE CLERK OF COOK COUNTY, ILLINOIS
PERMANENT REAL ESTATE INDEX NUMBER AND LEGAL DESCRIPTION

VOLUME
497

AREA SUB-AREA BLOCK PARCEL UNIT
17- 04- 122- 086

TAX CODE
74009

1997 DIVISION

CODE CHANGE

Block Parcel

BUTTERFIELDS ADD TO CHGO

SEC.	TOWN	RANGE	LOT	SUB-LOT	LOT	BLOCK
4	39	14			22	
				8)		
				9)		

445

Property of Cook County Clerk's Office

17	04	122089			4	174009
AREA	SUB-AREA	BLOCK	PARCEL	UNIT	WARRANT	CODE

UNOFFICIAL COPY

DIVISION

Year 1971

Block CODE CHANGE Parcel CHANGE

OFFICE OF THE CLERK OF COOK COUNTY, ILLINOIS
 PERMANENT REAL ESTATE INDEX NUMBER AND LEGAL DESCRIPTION

VOLUME

497

TAX CODE

74009

AREA SUB-AREA BLOCK PARCEL UNIT

17-04- 122- 089

BUTTERFIELDS ADD TO CHGO

SEC.	TOWN	RANGE	LOT	SUB-LOT	LOT	BLOCK
4	39	14		5	22	

1997 DIVISION

CODE CHANGE

Block Parcel

445

Property of Cook County Clerk's Office