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Illinois Anti-Predatory Lending Database Program



0905718074

Doc#: 0905718074 **Fee:** \$54.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 02/26/2009 03:52 PM Pg: 1 of 10

Certificate of Exemption

Report Mortgage Fraud
800-532-8785

The property identified as: **PIN:** 17-09-331-008-0000

Address:

Street: 618 West Washington Street

Street line 2:

City: Chicago

State: IL

ZIP Code: 60661

Lender: Steven Greenberg

Borrower: Catalyst 123, LLC

Loan / Mortgage Amount: \$300,000.00

This property is located within Cook County and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

Certificate number: 7C692DAE-DFD3-49B0-9A03-30ACFA01C810

Execution date: 02/25/2009

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INSTRUMENT PREPARED BY
AND AFTER RECORDING MAIL
TO:

McCormick Braun Friman, LLC
217 N. Jefferson, 1st Floor
Chicago, IL 60661
Attn: Michael S. Friman

SUBORDINATED MORTGAGE AND ASSIGNMENT OF RENTS

This Subordinated Mortgage and Assignment of Rents is made and entered into as of this 25 day of February, 2009, by Catalyst 123, LLC, an Illinois limited liability company ("Mortgagor"), having a principal place of business at 500 N Dearborn St, Ste. 605, Chicago, IL 60654 to Steven Greenberg, having a principal place of business at 822 W. Washington, Chicago, IL 60607("Mortgagee").

WITNESSETH, that for the consideration hereinafter stated, receipt of which is hereby acknowledged, the Mortgagor does hereby mortgage, sell, grant, assign and convey unto the Mortgagee, its successors and assigns, all of the real property situated and being in the County of Cook, State of Illinois and legally described as follows:

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

Together with and including all buildings, all fixtures including but not limited to all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning apparatus, and elevators (the Mortgagor hereby declaring that it is intended that the items herein enumerated shall be deemed to have been permanently installed as part of the realty), and all improvements now or hereafter existing thereon; the hereditaments and appurtenances and all other rights hereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, all rights of redemption, and the rents, issues and profits of the above described property (the real property and the foregoing are collectively, the "Property") (provided, however, that the Mortgagor shall be entitled to the possession of the Property and to collect and retain the rents, issues, and profits until default hereunder). To have and to hold the same unto the Mortgagee and the successors in interest of the Mortgagee forever in fee simple or such other estate, if any, as is stated herein.

The Mortgagor covenants that it is lawfully seized and possessed of and has the right to sell and convey the Property, that the same is free from all encumbrances except as herein recited; and that it hereby binds itself and its successors in interest to warrant and defend the title aforesaid thereto and every part thereof against the claims of all persons whomsoever.

This instrument is given to secure the Note given by Gary Rosenberg, Urban R2 Development Company, LLC and Chicago Preferred Realtors, LLC (collectively, "Borrower") dated

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June 18, 2008, in the principal sum of \$300,000 ("Note"), including the principal thereof and interest and premium, if any, thereon and all extensions and renewals thereof in whole or in part and any and all other sums which may at any time be due and owing or required to be paid as provided for in the note or herein (herein called the "Indebtedness"), which Note was entered into to satisfy an obligation on behalf of Mortgagor. The Indebtedness is also secured by a Pledge Agreement granted by Urban R2 Development Company, LLC ("UR2") in favor of Mortgagee dated June 18, 2008 for the membership interests of Chicago Catalyst, LLC held by UR2 (the "Pledge").

1. The Mortgagor covenants and agrees as follows:

a. Borrower will promptly pay the Indebtedness.

b. It will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, for which provision has not been made hereinbefore, and will promptly deliver the official receipts therefor to the Mortgagee.

c. It will pay such expenses and fees as may be incurred in the protection and maintenance of the Property, including the reasonable fees of any attorney employed by the Mortgagee for the collection of any or all of the Indebtedness, or foreclosure by Mortgagee's sale, or court proceedings, or in any other litigation or proceeding affecting the Property. Attorneys' fees reasonably incurred in any other way shall also be paid by the Mortgagor.

d. For better security of the Indebtedness, upon the request of the Mortgagee, its successors or assigns, it shall execute and deliver a supplemental mortgage or mortgages covering any additions, improvements, or betterments made to the property hereinabove described and all property acquired by it after the date hereof (all in form satisfactory to Mortgagee). Furthermore, should Mortgagor fail to cure any default in the payment of a prior or inferior encumbrance on the property described by this instrument, Mortgagor hereby agrees to permit Mortgagee to cure such default, but Mortgagee is not obligated to do so; and such advances shall become part of the indebtedness secured by this instrument, subject to the same terms and conditions.

e. The rights created by this conveyance shall remain in full force and effect during any postponement or extension of the time of the payment of the Indebtedness.

f. It will continuously maintain hazard insurance, of such type or types and in such amounts as the Mortgagee may from time to time require on the improvements now or hereafter on the Property, and will pay promptly when due any premiums thereof. All insurance shall be carried in companies acceptable to Mortgagee and the policies and renewals thereof shall be held by Mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee. In event of loss, Mortgagor will give immediate notice in writing to Mortgagee, and Mortgagee may make proof of loss if not made promptly by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Mortgagee instead of to Mortgagor and Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by Mortgagee at its option either to the reduction of the Indebtedness or to

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the restoration or repair of the property damaged or destroyed. In event of foreclosure of this mortgage, or other transfer of title to the Property in extinguishment of the Indebtedness, all right, title, and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or Mortgagee or, at the option of the Mortgagee, may be surrendered for a refund. **Unless Mortgagor provides Mortgagee with evidence of the insurance coverage required herein, Mortgagee may purchase insurance at Mortgagor's expense to protect Mortgagee's interest in the property. This insurance may, but need not, protect Mortgagor's interests. The coverage that Mortgagee purchases may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the property. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with written evidence that Mortgagor has obtained insurance as required herein. If Mortgagee purchases insurance for the property, Mortgagor will be responsible for the costs of that insurance, including interest and any other charges Mortgagee may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Indebtedness. The costs of the insurance may be more than the cost of insurance Mortgagor may be able to obtain on Mortgagor's own.**

g. It will keep all buildings and other improvements on the Property in good repair and condition; will permit, commit, or suffer no waste, impairment, deterioration of the Property or any part thereof; in the event of failure of the Mortgagor to keep the buildings on said premises and those erected on said premises, or improvements thereon, in good repair, the Mortgagee may make such repairs as in its discretion it may deem necessary for the proper preservation thereof; and the full amount of each and every such payment shall be immediately due and payable; and shall be secured by the lien of this mortgage. This mortgage is subject to existing mortgages recorded prior to the date hereof.

h. It will not voluntarily create or permit to be created against the property subject to this mortgage any lien or liens inferior or superior to the lien of this mortgage without the written consent of the Mortgagee; and further, that it will keep and maintain the same free from the claim of all persons supplying labor or materials for construction of any and all buildings or improvements now being erected or to be erected on said premises, or promptly act to remove or dispute (by providing a title indemnity or other bond insuring over the claim) any such claim of any person supplying labor or materials.

i. It will not assign any part of the rent of said mortgaged property or demolish, or remove, or substantially alter any building without the written consent of the Mortgagee.

j. All awards of damages in connection with any condemnation for public use of or injury to any of the property subject to this mortgage are hereby assigned and shall be paid to Mortgagee, who may apply the same to payment of the installments last due under said note, and Mortgagee is hereby authorized, in the name of the Mortgagor, to execute and deliver valid acquittances thereof and to appeal from any such award.

k. The Mortgagee shall have the right to inspect the mortgaged premises at any

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reasonable time.

l. It has never received any written notice of any violations of federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and, to its actual knowledge, there have been no actions commenced or threatened by any party for noncompliance;

m. It shall keep or cause the premises to be kept free of Hazardous Materials other than as may customarily be used in the course of ownership and operation of similar building improvements and in accordance with applicable environmental laws, and, without limiting the foregoing, it shall not cause or permit the premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials, except in compliance with all applicable federal, state and local laws and regulations, nor shall it cause or permit, as a result of any intentional or unintentional act or omission on his part, or on the part of any tenant, subtenant or occupant, a release of Hazardous Materials onto the premises or onto any other property.

n. It shall:

(i) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, under, from or affecting the premises in accordance with all applicable federal, state, and local laws, ordinances, rules, regulations and policies, to the reasonable satisfaction of Mortgagee, and in accordance with the orders and directives of all federal, state and local governmental authorities; and

(ii) defend, indemnify and hold harmless Mortgagee, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise (excluding consequential and punitive damages except to the extent Mortgagee may be subject to the same by reason of any third party claim), arising out of, or in any way related to: (A) the presence, disposal, release or threatened release of any Hazardous Materials on, over, under, from, or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons or animals thereon; (B) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (C) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials; and/or (D) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of Mortgagee, which are based upon or in any way related to such Hazardous Materials including, without limitation, reasonable attorneys' and consultants' fees, investigation and laboratory fees, court costs, and litigation expenses; provided that this indemnity shall not apply where the claim is attributable to acts of Mortgagee or its agents. Mortgagee shall tender defense of any claim to Mortgagor for handling with counsel of Mortgagor's selection, and Mortgagor shall control any remediation, provided Borrower or Mortgagor have not defaulted under the Note, Mortgage or any other agreement. This indemnity shall survive the release of the lien of the Mortgage, foreclosure or deed in lieu thereof or by an other action, and this covenant shall survive such reconveyance or

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extinguishment; provided, however, this indemnity shall not apply to any fact, event or circumstance occurring after the Property has been transferred by Mortgagor, by foreclosure, deed in lieu of foreclosure or otherwise.

2. Default in any of the covenants or conditions of this instrument or of the Note or Pledge secured hereby, which, in the case of a monetary default, shall remain uncured after ten days written notice thereof, or, in the case of a non-monetary default, shall remain uncured after thirty days written notice thereof, shall terminate the Mortgagor's right to possession, use, and enjoyment of the property, at the option of the Mortgagee or its assigns (it being agreed that the Mortgagor shall have such right until default). Upon any such default, the Mortgagee shall become the owner of all of the rents and profits accruing after default as security for the indebtedness secured hereby, with the right to enter upon the Property for the purpose of collecting such rents and profits, and to such extent this instrument shall constitute an assignment of rents in favor of Mortgagee executed by Mortgagor.

3. The Mortgagor covenants and agrees that if it or Borrower shall fail to pay the Indebtedness or any part thereof when due, or shall fail to perform any covenant or agreement of this instrument or any note or guaranty secured hereby, the entire Indebtedness shall immediately become due, payable and collectible without additional notice, at the option of the Mortgagee or assigns, regardless of the maturity, and the Mortgagee or his assigns may before or after entry sell the Property without appraisal (the Mortgagor having waived and assigned to the Mortgagee all rights of appraisal) pursuant to the laws of the State of Illinois governing the disposition of the Property.

4. The proceeds of any sale of the Property in accordance with the preceding paragraph shall be applied first to pay the costs and expenses of said sale, the expenses incurred by the Mortgagee for the purpose of protecting and maintaining the Property, and reasonable attorneys' fees; secondly, to pay the Indebtedness; and thirdly, to pay any surplus or excess to the person or persons legally entitled thereto.

5. In the event the Property is sold at a judicial foreclosure sale, and the proceeds are not sufficient to pay the Indebtedness, the Mortgagee will be entitled to a deficiency judgment for the amount of the deficiency without regard to appraisal.

6. In the event the Mortgagor fails to pay any Federal, state, or local tax assessment, income tax or other tax lien, charge, fee, or other expense charged against the property the Mortgagee is hereby authorized at his option to pay the same. Any sums so paid by the Mortgagee shall be added to and become a part of the principal amount of the Indebtedness, subject to the same terms and conditions applicable under this mortgage and any note or guaranty secured hereby. If the Mortgagor shall pay and discharge the Indebtedness, and shall pay such sums and shall discharge all taxes and liens and the costs, fees, and expenses of making, enforcing and executing this mortgage, then this mortgage shall be canceled and surrendered.

7. **Assignment of Rents and Leases.** Mortgagor hereby assigns to Mortgagee, as further security for the payment of the Indebtedness and until the Indebtedness has been paid in full, all of

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the rents from the Property, together with all Leases and other agreements evidencing such rents now or hereafter in effect and any and all security deposits; provided, however, that Mortgagee shall not be bound to perform any of the obligations created by such Leases and agreements or otherwise imposed (including any liability under the covenant of quiet enjoyment), except that Mortgagee shall be accountable for any money actually received pursuant to this assignment. Mortgagor hereby irrevocably consents to the entry upon and taking possession of the the Property by Mortgagee pursuant to such grant, whether foreclosure has been instituted or not and with or without applying for a receiver. Mortgagor shall, upon demand, deliver to Mortgagee a true copy of all such Leases and other agreements and hereby grants to Mortgagee the following rights, exercisable at Mortgagee's option: (a) to enter upon and take possession of the Property for the purpose of collecting the rents, (b) to dispossess by the usual summary proceedings any tenant defaulting in the payment of any rents to Mortgagee, (c) to let the Property, or any part thereof, and (d) to apply the rents, after payment of all necessary charges and expenses, in payment of the Indebtedness then due or payable. Although the assignment contained in this paragraph 7 is a present assignment, Mortgagor shall be entitled to collect and receive the rents and Mortgagee shall not exercise any of the rights and powers conferred upon it by this paragraph 7 until the occurrence of an Event of Default under any of the Loan Documents, at which time Mortgagee may revoke such right of Mortgagor to collect and receive the rents by giving notice in the manner provided in paragraph 10 below.

8. The covenants herein contained shall bind and the benefits and advantages shall inure to the respective successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

9. No waiver of any covenant herein or of the obligation secured hereby shall at any time thereafter be held to be a waiver of the terms hereof or of the note secured hereby.

10. A judicial decree, order or judgment holding any provision of this instrument invalid or unenforceable shall not in any way impair or preclude the enforcement of the remaining provisions or portions of this instrument.

11. Any written notice to be issued to the Mortgagor pursuant to the provisions of this instrument shall be addressed to the Mortgagor at 500 N Dearborn St, STE 605, Chicago, IL 60654 , and any written notice to be issued to the Mortgagee shall be addressed to the Mortgagee at 822 W. Washington, Chicago, IL 60607.

12. THE MORTGAGOR, ON BEHALF OF IT AND EACH AND EVERY PERSON CLAIMING BY, THROUGH, OR UNDER IT, HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION, STATUTORY OR OTHERWISE, WITHOUT PREJUDICE TO MORTGAGEE'S RIGHT TO ANY REMEDY, LEGAL OR EQUITABLE, WHICH MORTGAGEE MAY PURSUE TO ENFORCE PAYMENT OR TO AFFECT COLLECTION OF ALL OR ANY PART OF THE INDEBTEDNESS SECURED BY THIS MORTGAGE, AND WITHOUT PREJUDICE TO MORTGAGEE'S RIGHT TO A DEFICIENCY JUDGMENT OR ANY OTHER APPROPRIATE RELIEF IN THE EVENT OF FORECLOSURE OF THIS MORTGAGE.

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13. This Mortgage is junior and subordinate to the liens of certain mortgages dated and recorded prior to the date hereof (the "First Mortgages"). **Any act of default by the Mortgagor under the provisions of the First Mortgages and the notes secured thereby shall be deemed to be an act of default under the provisions of this Mortgage and the Mortgagee hereunder shall be entitled to all the remedies set forth herein.** To the extent that the terms of the First Mortgages impose obligations expressly inconsistent with the terms of this Mortgage, Mortgagor shall not be in default hereunder if Mortgagor complies with any more restrictive provisions contained in the First Mortgages. Mortgagor agrees that the First Mortgages and the notes secured thereby shall not be extended or modified without the prior written consent of Mortgagee.

(SIGNATURES ON NEXT PAGE)

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IN WITNESS WHEREOF, the Mortgagor has executed this instrument and the Mortgagee has accepted delivery of this instrument as of the day and year aforesaid.

Catalyst 123, LLC, an Illinois
Limited liability company

By: *Gary Rosenberg*
Gary Rosenberg, its Manager

State of Illinois)
) ss.
County of Cook)

The undersigned, a Notary Public in and for said county, in the aforesaid State, does hereby certify that Gary Rosenberg, as Manger of Catalyst 123, an Illinois limited liability company, known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as hi own free and voluntary act, with the authority to so act, for the uses and purposes therein set forth.

Date: February 25, 2009

Karen M. Kadolph
Notary Public



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EXHIBIT A LEGAL DESCRIPTION

Parcel 1:

The South 25 feet 8 - 1/2 inches of Lot 7 in Block 47 in Original Town of Chicago in the Southwest 1/4 of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

Lot 7 (except the South 25 feet 8 - 1/2 inches) in Block 47 in Original Town of Chicago in the Southwest 1/4 of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 3:

Lot 6 (except the North 37.0 feet thereof) in Block 47 in Original Town of Chicago in the Southwest 1/4 of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 4:

That part of Lot 10 in Block 47 in Original Town of Chicago in the Southwest 1/4 of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, lying West of the East 75.00 feet of said Lot 10, in Cook County, Illinois.

Parcel 5:

The East 75 feet of Lot 10 in Block 47 in Original Town of Chicago in the Southwest 1/4 of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 6:

Lot 6 except the South 38.67 feet and except the North 1.25 feet in Block 47, in the Original Town of Chicago, in the West 1/2 of the Southwest 1/4 of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Also described as:

The North 37 feet of Lot 6 (except the North 15 inches thereof) in Block 47 in the Original Town of Chicago Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Property Index Numbers: 17-09-331-008, 17-09-331-009, 17-09-331-010, 17-09-331-011, 17-09-331-012, and 17-09-331-013. Commonly Known As: 618 & 630 West Washington Street and 123 North Desplaines Street, Chicago, Illinois.