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## Illinois Anti-Predatory Lending Database Program

### Certificate of Exemption



Doc#: 1022418002 Fee: \$62.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 08/12/2010 09:53 AM Pg: 1 of 14

Accom.

**Report Mortgage Fraud**  
**800-532-8785**

The property identified as: **PIN: 25-21-220-005-0000**

**Address:**

**Street:** 135 W. 113th Street

**Street line 2:**

**City:** Chicago

**State:** IL

**ZIP Code:** 60628

**Lender:** Stewart Title Guaranty Company

**Borrower:** Robert G. Brooks and Lula Marie Brooks

**Loan / Mortgage Amount:** \$30,000.00

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

**STEWART TITLE COMPANY**  
**2055 W. Army Trail Road, Suite 110**  
**Addison, IL 60101**  
**630-889-4000**

**Certificate number:** F96EFE13-D916-4B19-8CD4-29B712AACA69

**Execution date:** 08/04/2010

**UNOFFICIAL COPY****RECORDATION REQUESTED BY:**

**STEWART TITLE GUARANTY COMPANY**  
**2055 WEST ARMY TRAIL ROAD**  
**SUITE 110**  
**ADDISON, IL 60101**  
**5023-0065953**

**THIS MORTGAGE PREPARED BY, AND  
AFTER RECORDING, RETURN TO:**

**DYKEMA GOSSETT PLLC**  
**10 SOUTH WACKER DRIVE**  
**SUITE 2300**  
**CHICAGO, IL 60606**  
**ATTN.: JERROLD M. PEVEN, ESQ.**

**FOR RECORDER'S USE ONLY**

**MORTGAGE**

**THIS MORTGAGE IS DATED August 4, 2010 and is made by ROBERT G. BROOKS and LULA MARIE BROOKS, husband and wife, whose address is 135 West 113<sup>th</sup> Street, Chicago, Illinois 60628 (jointly, "Grantor") to and for the benefit of STEWART TITLE GUARANTY COMPANY, whose address is 1980 Post Oak Blvd. Suite 710, Houston, Texas 77056, Attn: NLS ("Grantee").**

**1. GRANT OF MORTGAGE.** For valuable consideration, Grantor warrants, mortgages and conveys to Grantee all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all privileges, hereditaments, easements, rights of way, and appurtenances; and all rents and other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, located in Cook County, State of Illinois (the "Real Property"):

SEE LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT A

**The Real Property or its address is commonly known as 135 West 113<sup>th</sup> Street in Chicago, Illinois 60628-4827.**  
**The Real Property tax identification number is: 25-21-220-005-0000.**

**1.1 Assignment of Leases and Rents.** Grantor presently assigns to Grantee all of Grantor's right, title, and interest in and to all leases of the Property and all Rents from the Property, as such terms are hereinafter defined

**1.2 Assignment of Agreements.** Grantor presently assigns to Grantee all of Grantor's right, title, and interest in and to (a) any and all agreements, whether written or otherwise, between Grantor and any entity or individual which has performed or will at any time perform architectural work relating to the Property, (b) any and all agreements, whether written or otherwise, between Grantor and any entity or individual which has performed or will at any time perform construction work relating to the Property, and (c) any and all agreements, whether written or otherwise, between Grantor and any entity or individual which has performed or will at any time perform physical, structural or engineering work on the Property or planning, drafting or consulting work in connection with the Property.

**1.3 Grant of Security Interest.** Grantor grants to Grantee a security interest under the Illinois Uniform Commercial Code, as amended from time to time, in the Personal Property and Rents, as discussed further in subsection 12.2 below.

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2. **DEFINITIONS.** The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Illinois Uniform Commercial Code, as amended from time to time. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

**Grantee.** The word "Grantee" means **STEWART TITLE GUARANTY COMPANY**, its successors and assigns. The Grantee is the mortgagee under this Mortgage.

**Grantor.** The word "Grantor" means **ROBERT G. BROOKS** and **LULA MARIE BROOKS**, husband and wife, jointly and severally. The Grantor is the mortgagor under this Mortgage.

**Improvements.** The word "Improvements" means and includes without limitation all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

**Indebtedness.** The word "Indebtedness" means the Settlement Payment required to be paid by Grantor under the Settlement Agreement and any extensions, renewals or modifications of the Settlement Agreement, and, to the extent not prohibited by law, any amounts expended or advanced by Grantee to discharge obligations of Grantor or expenses incurred by Grantee to enforce obligations of Grantor under this Mortgage, together with interest on such amounts as provided in this Mortgage. At no time shall the principal amount of Indebtedness secured by the Mortgage, not including sums advanced to protect the security of the Mortgage, exceed Sixty Thousand and No/100 Dollars (\$60,000.00), being the maximum amount secured hereby.

**Mortgage.** The word "Mortgage" means this Mortgage between Grantor and Grantee, and includes without limitation (a) all assignments and (b) all security interest provisions relating to the Personal Property and Rents.

**Personal Property.** The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements or, and all substitutions for, any of such property, and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

**Property.** The word "Property" means collectively the Real Property and the Personal Property.

**Real Property.** The words "Real Property" mean the property, interests and rights described above in the "Grant of Mortgage" section.

**Related Documents.** The words "Related Documents" mean and include without limitation the Settlement Agreement and all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**Rents.** The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

**Settlement Agreement.** The words "Settlement Agreement" means that certain Settlement Agreement dated as of Aug 2nd, 2010 by and between Grantor and Grantee, pursuant to which, among other things, Grantor has agreed to pay to Grantee the sum of Thirty Thousand and No/100 Dollars (\$30,000.00) (the "Settlement Amount"). Payment of the Settlement Amount shall be made as follows: a payment of Two Thousand and No/100 Dollars (\$2,000) upon the Brooks' execution of the Settlement Agreement. Commencing on September 10, 2010 and on the tenth day of each calendar month thereafter through and including July 10, 2020, a payment of Two Hundred Thirty-Five and 29/100 Dollars (\$235.29). The final payments due under the Settlement Agreement is due on July 10, 2020.

**THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED**

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**DOCUMENTS. THIS MORTGAGE IS INTENDED TO AND SHALL BE VALID AND HAVE PRIORITY OVER ALL SUBSEQUENT LIENS AND ENCUMBRANCES, INCLUDING STATUTORY LIENS, EXCEPTING SOLELY TAXES AND ASSESSMENTS LEVIED ON THE REAL PROPERTY, TO THE EXTENT OF THE MAXIMUM AMOUNT SECURED HEREBY. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:**

**3. PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Mortgage, Grantor shall pay to Grantee all amounts secured by this Mortgage as they become due, and shall strictly perform all of Grantor's obligations under this Mortgage.

**4. POSSESSION AND MAINTENANCE OF THE PROPERTY.** Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions

**4.1 Possession and Use.** Until Grantor is in default hereunder, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents from the Property.

**4.2 Duty to Maintain.** Grantor shall maintain the Property in good condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

**4.3 Hazardous Substances.** The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Mortgage, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Grantee that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under, about or from the Property; (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Grantee in writing, (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance on, under, about or from the Property by any prior owners or occupants of the Property or (ii) any actual or threatened litigation or claims of any kind by any person relating to such matters, and (c) Except as previously disclosed to and acknowledged by Grantee in writing, (i) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use generate, manufacture, store treat dispose of, or release any hazardous waste or substance on, under, about or from the Property and (ii) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Grantor authorizes Grantee and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Grantee may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Grantee shall be for Grantee's purposes only and shall not be construed to create any responsibility or liability on the part of Grantee to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for hazardous waste and hazardous substances. Grantor hereby (x) releases and waives any future claims against Grantee for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (y) agrees to indemnify and hold harmless Grantee against any and all claims, losses, liabilities, damages, penalties, and expenses which Grantee may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the properties. The provisions of this section of the Mortgage, including the obligation to indemnify, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Grantee's acquisition of any interest in the Property, whether by foreclosure or otherwise.

**4.4 Nuisance, Waste.** Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property.

**4.5 Removal of Improvements.** Grantor shall not demolish or remove any Improvements from the Real Property without the prior written consent of Grantee. As a condition to the removal of any Improvements, Grantee may require

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Grantor to make arrangements satisfactory to Grantee to replace such Improvements with Improvements of at least equal value.

**4.6 Grantee's Right to Enter.** Grantee and its agents and representatives may enter upon the Real Property at all reasonable times upon advance notice to attend to Grantee's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

**4.7 Compliance with Governmental Requirements.** Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Grantee in writing prior to doing so and so long as, in Grantee's sole opinion, Grantee's interests in the Property are not jeopardized. Grantee may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Grantee, to protect Grantee's interest.

**4.8 Duty to Protect.** Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

**5. DUE ON SALE - CONSENT BY GRANTEE.** Grantee may, at its option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without the Grantee's prior written consent, of all or any part of the Real Property, or any interest of either Grantor in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. However, this option shall not be exercised by Grantee if such exercise is prohibited by federal law or by Illinois law.

**6. TAXES AND LIENS.** The following provisions relating to the taxes and liens on the Property are a part of this Mortgage.

**6.1 Payment.** Grantor shall pay when due (and in all events prior to delinquency) all real estate taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property or this Mortgage and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Grantee under this Mortgage, except for the lien of real estate taxes and assessments not due, and except as otherwise provided in the following paragraph. In addition, Grantor shall, within five (5) business days of becoming aware of any income tax liens, judgment liens or similar liens filed against the Property, provide Grantee with written notice of any such liens and thereafter Grantor shall, within fifteen (15) days after the filing of such lien, either (1) pay any such lien or (2) contest any such lien in the manner described in Section 6.2, provided, however, that the foregoing shall not apply with respect to that certain Notice of Federal Income Tax Lien recorded as Document No. 0326601103 in the amount of \$11,483.67.

**6.2 Right To Contest.** Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Grantee's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Grantee, provide Grantee with cash, a sufficient corporate surety bond, a title endorsement insuring over the lien claim and acceptable to Grantee, or other security satisfactory to Grantee in an amount sufficient to discharge the lien plus any costs and attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Grantee and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Grantee as an additional obligee under any surety bond furnished in the contest proceedings.

**6.3 Evidence of Payment.** Grantor shall upon demand furnish to Grantee satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Grantee at any time a written statement of the taxes and assessments against the Property.

**6.4 Notice of Construction.** Grantor shall notify Grantee at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien

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could be asserted on account of the work, services, or materials. Grantor will upon request of Grantee furnish to Grantee advance assurances satisfactory to Grantee that Grantor can and will pay the cost of such improvements.

**7. PROPERTY DAMAGE INSURANCE.** The following provisions relating to insuring the Property are a part of this Mortgage.

**7.1 Maintenance of Insurance.** Grantor shall procure and maintain the following policies of insurance: a casualty insurance policy on a replacement basis for the full insurable value of the Property covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, general liability insurance naming Grantee as an additional insured, flood insurance if required by Grantee or applicable law, and all other insurance required by the Construction Loan Agreement or by the Related Documents. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Grantee. Grantor shall deliver to Grantee certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of ten (10) days' prior written notice to Grantee and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Grantee will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property at any time become located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance for the full unpaid balance of the Settlement Amount, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Grantee, and to maintain such insurance until all amounts required to be paid to Grantee under the Settlement Agreement and this Mortgage have been paid in full.

**7.2 Application of Proceeds.** Grantor shall promptly notify Grantee of any loss or damage to the Property. Grantee may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Grantee's security is impaired, Grantee may, at its election, apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Grantee elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Grantee. Grantee shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Grantee has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Grantee under this Mortgage, then to pay any accrued interest owing to Grantee thereon, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Grantee holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor.

**7.3 Unexpired Insurance at Sale.** Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any trustee's sale or other sale held under the provisions of this Mortgage, or at any foreclosure sale of such Property.

**8. EXPENDITURES BY GRANTEE.** If Grantor fails to comply with any provision of this Mortgage, or if any action or proceeding is commenced that would materially affect Grantee's interests in the Property, Grantee on Grantor's behalf may, but shall not be required to, take any action that Grantee deems appropriate. Any amount that Grantee expends in so doing will bear interest at two percent (2%) per annum from the date incurred or paid by Grantee to the date of repayment by Grantor. All such expenses, at Grantee's option, will (a) be payable on demand, (b) be added to the balance of the Settlement Amount and be apportioned among and be payable with any installment payments to become due during the remaining term of the Settlement Agreement, or (c) be treated as a balloon payment which will be due and payable on the date on which the final payment of the Settlement Amount is due in accordance with the terms of the Settlement Agreement. This Mortgage also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Grantee may be entitled on account of the default. Any such action by Grantee shall not be construed as curing the default so as to bar Grantee from any remedy that it otherwise would have had.

**9. WARRANTY; DEFENSE OF TITLE.** The following provisions relating to ownership of the Property are a part of this Mortgage.

**9.1 Title.** Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance

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policy, title report or final title opinion issued in favor of, and accepted by, Grantee in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Grantee.

**9.2 Defense of Title.** Subject to the exception in the paragraph above Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Grantee under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Grantee shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Grantee's own choice, and Grantor will deliver, or cause to be delivered, to Grantee such instruments as Grantee may request from time to time to permit such participation.

**9.3 Subrogation.** Grantor covenants that Grantee is subrogated to the lien of any mortgage or any other lien which is discharged, whether in whole or in part, by Grantee pursuant to the Settlement Agreement (including, without limitation, pursuant to the Settlement Order referenced therein).

**9.4 Compliance With Laws.** Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

**10. CONDEMNATION.** The following provisions relating to condemnation of the Property are a part of this Mortgage.

**10.1 Application of Net Proceeds.** If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation or if all or any part of the Property is sold in lieu of condemnation, Grantee may at its election require that all or any portion of the net proceeds of the award or sale be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award or sale shall mean the award or sale after of all reasonable costs, expenses, and attorneys' fees incurred by Grantee in connection with the condemnation or sale in lieu of condemnation.

**10.2 Proceedings.** If any proceeding in condemnation is filed, Grantor shall promptly notify Grantee in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Grantee shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Grantee such instruments as may be requested by it from time to time to permit such participation.

**11. IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES.** The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

**11.1 Current Taxes, Fees and Charges.** Upon request by Grantee, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Grantee to perfect and continue Grantee's lien on the Real Property. Grantor shall reimburse Grantee for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

**11.2 Taxes.** The following shall constitute taxes to which this section applies: (a) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (b) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (c) a tax on this type of Mortgage chargeable against the Grantee; and (d) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

**11.3 Subsequent Taxes.** If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default (as defined below), and Grantee may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (a) pays the tax before it becomes delinquent, or (b) contests the tax as provided above in the Taxes and Liens section and deposits with Grantee cash or a sufficient corporate surety bond or other security satisfactory to Grantee.

**12. SECURITY AGREEMENT; FINANCING STATEMENTS.** The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage.

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**12.1 Security Agreement.** This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Grantee shall have all of the rights of a secured party under the Illinois Uniform Commercial Code, as amended from time to time.

**12.2 Security Interest.** Upon request by Grantee, Grantor shall execute financing statements and take whatever other action is requested by Grantee to perfect and continue Grantee's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Grantee may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Grantee for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Grantor and Grantee and make it available to Grantee within three (3) days after receipt of written demand from Grantee.

**12.3 Addresses.** The mailing addresses of Grantor (debtor) and Grantee (secured party), from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Illinois Uniform Commercial Code, as amended from time to time), are as stated on the first page of this Mortgage.

**13. FURTHER ASSURANCES; ATTORNEY-IN-FACT.** The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage.

**13.1 Further Assurances.** At any time, and from time to time, upon request of Grantee, Grantor will make, execute and deliver or will cause to be made, executed or delivered, to Grantee or to Grantee's designee, and when requested by Grantee, cause to be filed, recorded, refiled, or re-recorded, as the case may be, at such times and in such offices and places as Grantee may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Grantee, be necessary or desirable in order to effectuate, complete perfect, continue, or preserve (a) the obligations of Grantor under the Settlement Agreement, this Mortgage, and the other Related Documents, and (b) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or agreed to the contrary by Grantee in writing, Grantor shall reimburse Grantee for all costs and expenses incurred in connection with the matters referred to in this paragraph.

**13.2 Attorney-in-Fact.** If Grantor fails to do any of the things referred to in the preceding paragraph, Grantee may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Grantee as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Grantee's sole opinion, to accomplish the matters referred to in the preceding paragraph.

**14. FULL PERFORMANCE.** If Grantor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Grantee shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Grantee's security interest in the Rents and the Personal Property. If, however, payment is made by Grantor, whether voluntarily or otherwise or by any third party, on the Indebtedness and thereafter Grantee is forced to remit the amount of that payment (a) to Grantor's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, (b) by reason of any judgment, decree or order of any court or administrative body having jurisdiction over Grantee or any of Grantee's property or (c) by reason of any settlement or compromise of any claim made by Grantee with any claimant (including without limitation Grantor), the indebtedness shall be considered unpaid for the purpose of enforcement of this Mortgage and this Mortgage shall continue to be effective or shall be reinstated, as the case may be, notwithstanding any cancellation of this Mortgage or of any note or other instrument or agreement evidencing the Indebtedness and the Property will continue to secure the amount repaid or recovered to the same extent as if that amount never had been originally received by Grantee, and Grantor shall be bound by any judgment, decree, order, settlement or compromise relating to the Indebtedness or to this Mortgage. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Grantee from time to time.

**15. DEFAULT.** Each of the following, at the option of Grantee, shall constitute an event of default ("Event of Default") under this Mortgage:

**15.1 Default on Indebtedness.** Failure of Grantor to make any payment when due on the Indebtedness.



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**15.2 Default on Other Payments.** Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

**15.3 Compliance Default.** Failure of Grantor to comply with any other term, obligation, covenant or condition contained in this Mortgage, the Settlement Agreement or in any of the other Related Documents.

**15.4 Intentionally Deleted.**

**15.5 False Statements.** Any warranty, representation or statement made or furnished to Grantee by or on behalf of Grantor under this Mortgage, the Settlement Agreement or the other Related Documents is false or misleading in any material respect, either now or at the time made or furnished.

**15.6 Defective Collateralization.** This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest or lien) at any time and for any reason.

**15.7 Death or Insolvency.** The death of either Grantor, the insolvency of either Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

**15.8 Foreclosure, Forfeiture, etc.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any of the Property. However, this subsection shall not apply in the event of a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the foreclosure or forfeiture proceeding, provided that Grantor gives Grantee written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Grantee.

**15.9 Breach of Other Agreement.** Any breach by Grantor under the terms of any other agreement between Grantor and Grantee that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Grantee, whether existing now or later.

**16. RIGHTS AND REMEDIES ON DEFAULT.** Upon the occurrence of any Event of Default under Section 15.1 or 15.2 hereof, and at any time thereafter, and upon the occurrence of any Event of Default under any other Section hereof which is not cured within thirty (30) days after notice thereof from Grantee to Grantor, and at any time thereafter, Grantee, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

**16.1 Accelerate Indebtedness.** Grantee shall have the right at its option without further notice to Grantor to declare the entire Indebtedness immediately due and payable.

**16.2 UCC Remedies.** With respect to all or any part of the Personal Property, Grantee shall have all the rights and remedies of a secured party under the Illinois Uniform Commercial Code, as amended from time to time.

**16.3 Collect Rents.** Grantee shall have the right, without further notice to Grantor, to take possession of the Property and collect the Rents, if any, including amounts past due and unpaid, and apply the net proceeds over and above Grantee's costs, against the Indebtedness. In furtherance of this right, Grantee may require any tenant, occupant (including Grantor) or other user of the Property to make payments of rent or use fees directly to Grantee. If the Rents are collected by Grantee, then Grantor irrevocably designates Grantee as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants, occupants (including Grantor) or other users to Grantee in response to Grantee's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Grantee may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

**16.4 Mortgagee in Possession.** Grantee shall have the right to be placed as mortgagee in possession or to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The mortgagee in possession or receiver may serve without bond if

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permitted by law. Grantee's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Grantee shall not disqualify a person from serving as a receiver.

**16.5 Judicial Foreclosure.** Grantee may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

**16.6 Nonjudicial Sale.** If permitted by applicable law, Grantee may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by nonjudicial sale.

**16.7 Deficiency Judgment.** Grantee hereby expressly waives and relinquishes any right to seek to obtain a personal deficiency judgment against either Grantor to recover all or any portion of the Indebtedness.

**16.8 Tenancy at Sufferance.** If Grantor remains in possession of the Property after the Property is sold as provided above or Grantor otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Grantee or the purchaser of the Property and shall, at Grantee's option, either (a) pay a reasonable rental for the use of the Property, or (b) vacate the Property immediately upon the demand of Grantee.

**16.9 Other Remedies.** Grantee shall have all other rights and remedies provided in this Mortgage or the Settlement Agreement or available at law or in equity.

**16.10 Sale of the Property.** To the extent permitted by applicable law, Grantor hereby waives any and all right to have the property marshaled. In exercising its rights and remedies, Grantee shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales, and to execute and deliver to the purchasers of the Property deeds of conveyance pursuant to law. Grantee shall be entitled to bid at any public sale on all or any portion of the Property.

**16.11 Notice of Sale.** Grantee shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least fifteen (15) days before the time of the sale or disposition.

**16.12 Waiver; Election of Remedies.** A waiver by any party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Grantee to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this Mortgage after failure of Grantor to perform shall not affect Grantee's right to declare a default and exercise its remedies under this Mortgage.

**16.13 Attorneys' Fees; Expenses.** If Grantee institutes any suit or action to enforce any of the terms of this Mortgage, Grantee shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Grantee that in Grantee's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the Default Rate provided for in the Settlement Agreement. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Grantee's attorneys' fees and Grantee's legal expenses whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

**17. NOTICES TO GRANTOR AND OTHER PARTIES.** Any notice under this Mortgage, including without limitation any notice of default and any notice of sale to Grantor, shall be in writing, may be sent by telefacsimile (unless otherwise required by law), and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier, or, if mailed, shall be deemed effective when deposited in the United States mail first class, certified or registered mail, postage prepaid, directed to the addresses shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Grantee's address, as shown

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near the beginning of this Mortgage. For notice purposes, Grantor agrees to keep Grantee informed at all times of Grantor's current address.

**18. MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Mortgage:

**18.1 Amendments.** This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**18.2 Applicable Law.** This Mortgage has been delivered to Grantee and accepted by Grantee in the State of Illinois. This Mortgage shall be governed by, construed and enforced in accordance with the laws of the State of Illinois.

**18.3 Caption Headings.** Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

**18.4 Merger.** There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Grantee in any capacity, without the written consent of Grantee.

**18.5 Severability.** If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity, however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Mortgage in all other respects shall remain valid and enforceable.

**18.6 Successors and Assigns; Joint and Several.** Subject to the limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Grantee, without notice to Grantor may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness. The obligations and liabilities of each Grantor under this Mortgage are joint and several.

**18.7 Time Is of the Essence.** Time is of the essence in the performance of this Mortgage.

**18.8 Waiver of Homestead Exemption.** Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Illinois as to all Indebtedness secured by this Mortgage.

**18.9 Waivers and Consents.** Grantee shall not be deemed to have waived any rights under this Mortgage (or under the Related Documents) unless such waiver is in writing and signed by Grantee. No delay or omission on the part of Grantee in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Grantee, nor any course of dealing between Grantee and Grantor, shall constitute a waiver of any of Grantee's rights or any of Grantor's obligations as to any future transactions. Whenever consent by Grantee is required in this Mortgage the granting of such consent by Grantee in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

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GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS. THIS AGREEMENT IS DATED AS OF August, 2010.

GRANTOR:

X Robert G Brooks

ROBERT G. BROOKS, individually

X Lula Marie Brooks

LULA MARIE BROOKS, individually

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## EXHIBIT A

### Legal Description

LOT 14 AND THE EAST 1/2 OF LOT 15 IN BLOCK 5 IN VAN DER SYDE AND BARTLETT'S ADDITION TO PULLMAN BEING A SUBDIVISION OF BLOCKS 1, 2, 3, 4 AND 5 IN THE SUBDIVISION OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 47 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THE EAST 775.5 FEET THEREOF AND EXCEPT RAILROAD) IN COOK COUNTY, ILLINOIS.

STREET ADDRESS: 135 West 113<sup>th</sup> Street, Chicago, Illinois 60628-4827

PIN: 25-21-220-005-0000

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