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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Doc#: 1132745057 Fee: \$58.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 11/23/2011 01:34 PM Pg: 1 of 12

Report Mortgage Fraud
800-532-8785

The property identified as: **PIN: 20-28-110-017-0000**

Address:

Street: 7251 S. Union

Street line 2:

City: Chicago

State: IL

ZIP Code: 60621

Lender: Catalyst Funding Corporation

Borrower: Royalty Investment Group, LLC

Loan / Mortgage Amount: \$20,000.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 7770 et seq. because the application was taken by an exempt entity.

Certificate number: AECC33DD-A17A-4718-8239-2CA79ABCF69C

Execution date: 11/16/2011

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This instrument was prepared
by and, after recording,
return to:

Eric Feldman & Associates, P.C.
2130 Wesley Avenue
Evanston, Illinois 60201

Location:
7251 S. Union
Chicago, Illinois 60621

Permanent Index No:
20-28-110-017-0000

Space above this line for Recorder's use only

MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING (this "Mortgage") made as of the 16th day of November, 2011, by Royalty Investment Group, LLC, Series B, an Illinois limited liability company, ("Mortgagor"), for the benefit of **Catalyst Funding Corporation** ("Catalyst" or the "Mortgagee") an Illinois corporation.

WITNESSETH THAT:

WHEREAS, the beneficiaries of the Mortgagor has executed and delivered to Mortgagee that certain Promissory Note of even date herewith in the principal sum of TWENTY THOUSAND AND 00/100 DOLLARS (\$20,000.00) ("Note"), as it may hereafter be modified, amended or extended, and together with any and all substitutions therefor and replacements thereof, made payable to Mortgagee whereby Mortgagor promises to pay the said principal sum and interest as provided in the Note on the Maturity Date (as defined in the Note), if not sooner paid, all of said principal being payable at such place as the holder thereof ("Holder") may, from time to time, in writing appoint as provided in the Note.

NOW, THEREFORE, Mortgagor, as title holder of the Property, and in consideration of said debt and to secure the payment of both principal and interest, fees and all other amounts owing from Mortgagor to Mortgagee, in accordance with the terms and provisions of the Note, and in accordance with the terms, provisions and limitations of this Mortgage, and to secure the performance of the covenants and agreements herein and in the Note, to be performed by Mortgagor, does by these presents **MORTGAGE, GRANT, BARGAIN, SELL and CONVEY** unto Mortgagee, its successors and assigns, all of the following property (all or any part of such property, or any interest in all or any part of it, as the context may require, the "Property"):

(a) the Mortgagor's estate in fee simple, forever, in the real estate 7251 S. UNION situated in Chicago, Cook County, Illinois ("Premises"), as more fully described on the attached Exhibit A, which is incorporated herein by this reference and made a part hereof, **TOGETHER** with (b) (1) all the improvements now or hereafter erected on the Premises, and all easements, rights, appurtenances and

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rents, all of which shall be and remain a part of the property covered by this Mortgage (the "Improvements"); (2) all materials, supplies, equipment, apparatus and other items of personal property now owned or hereafter acquired by Mortgagor and now or hereafter attached to, installed in or used in connection with any of the Improvements or the Premises, and water, gas, electrical, storm and sanitary sewer facilities and all other utilities whether or not situated in easements (the "Fixtures"), (4) all right, title and interest of Mortgagor in and to all goods, accounts, general intangibles, instruments, documents, chattel paper and all other personal property of any kind or character, including such items of personal property as defined in the Uniform Commercial Code, as adopted in the State of Illinois ("UCC"), now owned or hereafter acquired by Mortgagor and now or hereafter affixed to, placed upon, used in connection with, arising from or otherwise related to the Premises and Improvements or which may be used in or relating to the planning, development, financing or operation of the Property, including, without limitation, furniture, furnishings, equipment, machinery, money, insurance proceeds, accounts, contract rights, trademarks, goodwill, chattel paper, documents, trade names, licenses and/or franchise agreements, rights of Mortgagor under leases of Fixtures or other personal property or equipment, inventory, all refundable, returnable or reimbursable fees, deposits or other funds or evidences of credit or indebtedness deposited by or on behalf of Mortgagor with any governmental authorities, boards, corporations, providers of utility services, public or private, including specifically, but without limitation, all refundable, returnable or reimbursable tap fees, utility deposits, commitment fees and development costs (the "Personalty"), (5) all earnest money sales deposits, reserves, escrows and all deposit accounts maintained by Mortgagor with respect to the Property, (6) all plans, specifications, shop drawings and other technical descriptions prepared for construction, repair or alteration of the Improvements, and all amendments and modifications thereof (the "Plans"), (7) all leases, subleases, licenses, concessions, occupancy agreements or other agreements (written or oral, now or at any time in effect) which grant a possessory interest in, or the right to use, all or any part of the Property, together with all related security and other deposits (the "Leases"), (8) all of the rents, revenues, income, proceeds, profits, security and other types of deposits, and other benefits paid or payable by parties to the Leases other than Mortgagor for using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying the Property (the "Rents"), (9) all other agreements, such as construction contracts, architects' agreements, engineers' contracts, utility contracts, maintenance agreements, management agreements, service contracts, permits, licenses, certificates and entitlements in any way relating to the development, construction, use, occupancy, operation, maintenance, enjoyment, acquisition or ownership of the Property (the "Property Agreements"), (10) all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances appertaining to the foregoing, and all right, title and interest, if any, of Mortgagor in and to any streets, ways, alleys, strips or gores of land adjoining the Land or any part thereof, (11) all accessions, replacements and substitutions for any of the foregoing and all proceeds thereof, (12) all insurance policies, unearned premiums therefor and proceeds from such policies covering any of the above property now or hereafter acquired by Mortgagor, (13) all mineral, water, oil and gas rights now or hereafter acquired and relating to all or any part of the Property, (14) All of Mortgagor's rights and prerogatives arising in connection with or by virtue of Mortgagor's ownership of condominium units on the Premises, including, without limitation, the right to vote as a member of any owners' association and all rights arising under any condominium declaration recorded now or hereafter and under the articles of incorporation and bylaws of such association, and (15) all of Mortgagor's right, title and interest in and to any awards, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Premises, Improvements, Fixtures or Personalty.

Mortgagor represents and covenants that Mortgagor is lawfully seized of the Premises, that the same are unencumbered, except for encumbrances of record, and that Mortgagor has good right, full power and lawful authority to convey and mortgage the same, and that Mortgagor will warrant and forever defend said Premises and the quiet and peaceful possession of the same against all claims and demands, subject to encumbrances of record.

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TO HAVE AND TO HOLD the Premises unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, together with the right to possession of the Premises.

THIS MORTGAGE IS GIVEN TO SECURE: Payment of the indebtedness and obligations evidenced by the Note (together with any and all amendments or supplements to such Note, replacements or extensions thereof and any Note or agreement which may be taken in whole or partial renewal, substitution or extension thereof, or, which may evidence any of the indebtedness secured hereby).

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, Etc. Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed, reasonable use and wear excepted; (b) keep the Premises in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien not expressly subordinated to the lien hereof, except that Mortgagor shall have the right to contest in good faith and with reasonable diligence the validity of any such lien or claim upon furnishing (i) to the title company which has issued the loan policy of title insurance to Mortgagee insuring the lien of this Mortgage such security or indemnity as it may require to issue an endorsement thereto insuring against loss or damage on account of any such lien; or (ii) to Mortgagee such other security with respect to such claims as may be reasonably acceptable to Mortgagee; (c) pay when due any indebtedness which may be secured by a lien or charge on the Premises on a parity with or superior to the lien hereof, and upon request, exhibit satisfactory evidence to Mortgagee of the discharge of such lien; and (d) comply with all applicable requirements of law, municipal ordinances or restrictions of record with respect to the Premises and the use thereof. As used in this Paragraph and elsewhere in this Mortgage, the term "indebtedness" shall mean and include the principal sum evidenced by the Note, together with all interest thereon, and all other amounts payable to Mortgagee thereunder, and all other sums at any time secured by this Mortgage.

2. Payment of Taxes and Assessments. Mortgagor shall pay all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and all other charges or liens of any nature against the Premises when due. Notwithstanding anything contained herein to the contrary, Mortgagor shall have the right to protest any taxes assessed against the Premises, so long as such protest is conducted in good faith by appropriate legal proceedings diligently prosecuted and Mortgagor shall furnish to the title insurer such security or indemnity as said insurer requires to induce it to issue an endorsement, in form and substance acceptable to Mortgagee, insuring over any exception created by such protest.

3. Insurance, Title and Survey. Mortgagor shall at all times keep all buildings, improvements, fixtures and articles of personal property, if any, now or hereafter situated on the Premises and owned by Mortgagor, insured against loss or damage by fire and such other hazards. In the event of loss, Mortgagor shall give immediate notice by mail to Mortgagee, who 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 to Mortgagor. Mortgagor is also authorized to settle and adjust claims with notice being given to Mortgagee. Any insurance proceeds so received by Mortgagor, or any part thereof, shall be applied by Mortgagor, after the payment of all of Mortgagee's reasonable expenses, including costs and reasonable attorneys' fees, to the payment of the indebtedness or at Mortgagor's election, to the restoration or repair of the property damaged. In the event of foreclosure of this Mortgage, all right, title and interest of Mortgagor in and to any insurance policies then in force shall pass to the purchaser at the foreclosure sale. Mortgagor shall furnish Mortgagee, without cost to Mortgagee, at the request of Mortgagee, from time to time, evidence of the replacement value of the Premises. Mortgagor shall furnish to Mortgagee, at Mortgagor's expense, an ALTA Lender's extended coverage

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policy of title insurance (the "Title Policy"), on the 1992 or another form acceptable to Mortgagee in the amount of \$20,000, issued by a title company ("Title Insurer"), insuring this Mortgage as a valid and subsisting second priority lien on the Premises and all appurtenant easements, subject only to certain exceptions to title permitted by Mortgagee. The Title Policy shall contain such endorsements as the Mortgagee may reasonably require and are authorized to be issued in the State of Illinois. On the date hereof, Mortgagee may accept in lieu of the Title Policy a commitment for the issuance of the Title Policy, issued by the Title Insurer which is the legal equivalent of the Title Policy, as determined in the sole discretion of Mortgagee's counsel, establishing that the Title Insurer is prepared to issue the Title Policy on the terms stated above without qualification or conditions, and thereafter the final copy of the Title Policy shall be promptly issued. Mortgagor shall deliver to Mortgagee a legible copy of all underlying documents and instruments referred to in the Title Policy or in any preliminary title report or commitment obtained from the recorder for the county in which the project is located or other appropriate source. Mortgagor shall additionally furnish to Mortgagee a plat of survey of the Premises made by a registered or certified land surveyor of the state in which the Premises is located satisfactory to Mortgagee, showing the outline of the Premises, and, to the extent constructed, any improvements on the Premises. Said survey shall be currently dated and shall be prepared in accordance with the standards issued by the American Land Title Association, bearing a proper certificate by the surveyor, which certificate shall include the legal description of the Premises and shall be made in favor of Mortgagee and the Title Insurer.

4. Senior Indebtedness. Mortgagor acknowledges and represents that this Mortgage is the first lien holder and shall remain the same at all times.

5. Stamp Tax. If, by the laws of the United States of America, or of any state or political subdivision having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the issuance of the Note or recording of this Mortgage, Mortgagor covenants and agrees to pay such tax in the manner required by any such law. Mortgagor further covenants to hold harmless and agrees to indemnify Mortgagee, its successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the Note or recording of this Mortgage.

6. Effect of Extensions of Time. If the payment of the debt secured hereby or any part thereof be extended or varied or if any part of the security granted to secure such indebtedness be released, all persons now or at any time hereafter liable therefor, or interested in the Premises or the Property, or having an interest in Mortgagor or in any beneficiary of Mortgagor shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release.

7. Mortgagee's Performance of Defaulted Acts and Expenses Incurred by Mortgagee. Upon the occurrence of an Event of Default (as defined in Paragraph 8 below), Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or consent to any tax or assessment or cure any default of Mortgagor in any lease of the Premises, under any contract affecting the premises or under any Senior Loan Document. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other monies advanced by Mortgagee to protect the Premises or the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at an annual rate ("Default Rate") equal to ten percent (10%). In addition to the foregoing, any costs, expenses and fees, including reasonable attorneys' fees, incurred by

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Mortgagee reasonably necessary in connection with (a) sustaining the lien of this Mortgage or its priority, (b) protecting and enforcing any of Mortgagee's rights hereunder, (c) recovering any indebtedness secured hereby, (d) any litigation or proceedings affecting the Note, this Mortgage, the Premises or any guarantor or co-maker of the Note, including without limitation, bankruptcy and probate proceedings, (e) preparing for the commencement, defense or participation in any threatened litigation or proceedings, (f) protecting/maintaining the Property as may be necessary, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Default Rate.

8. Acceleration of Indebtedness in Event of Default. Each of the following shall constitute an "Event of Default" for purposes of this Mortgage:

(a) The occurrence of any default under the Note and the failure to cure within the applicable cure periods, or if Mortgagor fails to pay any other amount due pursuant to this Mortgage within five (5) days of such due date; or

(b) Any encumbrance on the Properties without the consent of Mortgagee; or

(c) Mortgagor fails to promptly perform or cause to be performed any other obligation or observe any other condition, covenant, term, agreement or provision required to be performed or observed by Mortgagor under this Mortgage within thirty (30) days after written notice of the same by Mortgagee; provided, however, that in the event that such failure cannot be cured within said thirty (30) days, and Mortgagor has otherwise diligently commenced to cure the same within said thirty (30) days and hereafter continues to diligently pursue cure, then no Event of Default shall exist to Mortgagee during this period, not to exceed in any event ninety (90) days after Mortgagee's original notice, unless the value of the collateral securing the Note, or the maintenance/security of the Premises, would be materially impaired, threatened or jeopardized, in which event such period shall be unavailable to Mortgagor; or

(d) The commencement of any involuntary petition in bankruptcy by or against Mortgagor or any co-maker of the Note, or the institution against Mortgagor or any co-maker of the Note of any reorganization, arrangement, composition, readjustment, dissolution, liquidation or similar proceedings under any present or future Federal, state or other statute or law, or the appointment of a receiver, trustee or similar officer for all or any substantial part of the property of Mortgagor or any co-maker of the Note, which shall remain undismised or undischarged for a period of ninety (90) days; or

If an Event of Default occurs, Mortgagee may, at its option, declare the whole of the indebtedness hereby secured to be immediately due and payable by giving notice to Mortgagor, with interest thereon from the date of such Event of Default at the Default Rate as defined in the Note.

9. Foreclosure; Expense of Litigation. If an Event of Default occurs, Mortgagee shall have the right to institute proceedings for the complete foreclosure of this Mortgage, in which case the Property may be sold for cash or credit in one or more parcels. At any such sale by virtue of any judicial proceedings or any other legal right, remedy or recourse, the title to and right of possession of any such property shall pass to the purchaser thereof, and to the fullest extent permitted by law, Mortgagor shall be completely and irrevocably divested of all of its right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Mortgagor, and against all other persons claiming or to claim the property sold or any part thereof, by, through or under Mortgagor. In the event of a foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at

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such sale, or to take such other steps as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

In any suit to foreclose this Mortgage, there shall be allowed and included as additional indebtedness in the decree for sale all reasonable expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned and such expenses and fees as may be incurred in the enforcement of Mortgagor's obligations hereunder, the protection of said Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate and shall be secured by this Mortgage.

10. Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Paragraph 9 hereof; second, all other items which may under the terms hereof constitute secured indebtedness in addition to that evidenced by the Note, with interest thereon as herein provided and all principal and interest remaining unpaid on the Note; and third, any surplus to Mortgagor, its successors or assigns, as their rights may appear.

11. Appointment of Receiver. Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; and (b) the deficiency in case of a sale and deficiency.

12. Security Agreement.

(a) This Mortgage constitutes a "Security Agreement" on personal property within the meaning of the UCC and other applicable law and with respect to the Personalty, Fixtures, Plans, Leases, Rents and Property Agreements. To this end, Mortgagor grants to Mortgagee, a security interest in the Personalty, Fixtures, Plans, Leases, Rents and Property Agreements and all other Property which is personal property to secure the payment of the indebtedness, and agrees that Mortgagee shall have all the rights and remedies of a secured party under the UCC with respect to such property. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Personalty, Fixtures, Plans, Leases,

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Rents and Property Agreements sent to Mortgagor at least five (5) days prior to any action under the UCC shall constitute reasonable notice to Mortgagor.

(b) Mortgagor shall execute and deliver to Mortgagee, in form and substance satisfactory to Mortgagee, such financing statements and such further assurances as Mortgagee may, from time to time, reasonably consider necessary to create, perfect and preserve Mortgagee's security interest hereunder and Mortgagee may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest. Mortgagor's chief executive office is in the State of Illinois at the address set forth in Paragraph 16 of this Mortgage.

(c) This Mortgage shall also constitute a "fixture filing" for the purposes of the UCC against all of the Property which is or is to become fixtures. Information concerning the security interest herein granted may be obtained at the addresses of Debtor (Mortgagor) and Secured Party (Mortgagee) as set forth in the first paragraph of this Mortgage.

13. Subordination. All other Mortgages shall be subordinate to this Mortgage.

14. Rights Cumulative. Each right, power and remedy herein conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

15. Release Upon Payment and Discharge of Mortgagor's Obligations. Upon closing of the sale of the Premises with one year of the date hereof, Mortgagee agrees that upon receipt of the payment no less than the indebtedness under the Note is paid in full, Mortgagee shall release the lien in full.

16. Notices. Any notice or demand required or permitted to be given under this Mortgage shall be in writing and shall be personally delivered or mailed, postage prepaid, by United States registered or certified mail, return receipt requested, or via facsimile, or by overnight courier, addressed as follows:

<p>(a) <u>If to Mortgagor:</u></p> <p>Royalty Investment Group, LLC P.O. Box 8362 Romeoville, Illinois 60446</p>	<p><u>If to Mortgagee:</u></p> <p>Catalyst Funding Corporation c/o Agent Eric Feldman 2130 Wesley Avenue Evanston, Illinois 60201</p>
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Any party may designate a different address or facsimile number for notice purposes by giving notice thereof in accordance with this paragraph; provided, however, that such notice shall not be deemed given until actually received by the addressee. Any notice or demand given by United States mail shall be deemed given on the second business day after the same is deposited in the United States mail as aforesaid, or if sent by overnight courier, on the next business day, or on the same day if sent by fax by 5:00 p.m. on a business day.

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17. Indemnity. To the full extent provided by law, Mortgagor hereby covenants and agrees that no liability shall be asserted or enforced against Mortgagee in the exercise of the rights and powers granted to Mortgagee in this Mortgage, except for liability arising from Mortgagee's gross negligence or willful misconduct, and Mortgagor hereby expressly waives and releases any such liability, except for liability arising from Mortgagee's gross negligence or willful misconduct. Mortgagor shall indemnify and hold Mortgagee harmless from and against any and all liabilities, obligations, losses, damages, claims, costs and expenses (including attorneys' fees and Court costs) of whatever kind or nature which may be imposed on, incurred by or asserted against Mortgagee at any time by any third party which relate to or arise from: the making of the Loan evidenced by the Note and secured by this Mortgage; any suit or proceeding (including probate and bankruptcy proceedings), or the threat thereof, in or to which Mortgagee may or does become a party, either as plaintiff or as a defendant, by reason of this Mortgage or for the purpose of protecting the lien of this Mortgage; the offer for sale or sale of all or any portion of the Property; and/or the ownership, leasing, use, operation or maintenance of the Property. All costs provided for herein and paid for by Mortgagee shall be so much additional indebtedness secured hereby and shall become immediately due and payable with notice and with interest at the Default Rate.

18. WAIVER OF HOMESTEAD. MORTGAGOR HEREBY WAIVES ALL RIGHT OF HOMESTEAD EXEMPTION IN THE PREMISES.

19. WAIVER OF NOTICE AND MARSHALLING OF ASSETS. TO THE FULLEST EXTENT PERMITTED BY LAW, MORTGAGOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES AND RELEASES (A) ANY RIGHT TO RECEIVE ANY NOTICE FROM MORTGAGEE WITH RESPECT TO THE NOTE, OR THIS MORTGAGE, EXCEPT FOR THOSE NOTICES THAT MORTGAGEE EXPRESSLY IS REQUIRED TO DELIVER PURSUANT TO SUCH DOCUMENTS; (B) ANY RIGHT MORTGAGOR MAY HAVE UNDER LAW TO NOTICE OR TO A JUDICIAL HEARING PRIOR TO THE EXERCISE OF ANY RIGHT OR REMEDY PROVIDED BY THE NOTE, OR THIS MORTGAGE, TO MORTGAGOR, AND MORTGAGOR WAIVES THE RIGHTS, IF ANY, TO SET ASIDE OR INVALIDATE ANY SALE DULY CONSUMMATED IN ACCORDANCE WITH THE PROVISIONS OF THIS MORTGAGE ON THE GROUND (IF SUCH BE THE CASE) THAT THE SALE WAS CONSUMMATED WITHOUT A PRIOR JUDICIAL HEARING, AND (C) ANY RIGHT TO A MARSHALLING OF ASSETS OR A SALE IN INVERSE ORDER OF ALIENATION.

20. ILLINOIS STATUTORY WAIVERS. THE MORTGAGOR, ON BEHALF OF ITSELF AND ALL PERSONS NOW OR HEREAFTER INTERESTED IN THE PROPERTY, VOLUNTARILY AND KNOWINGLY HEREBY ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS MORTGAGE IS A PART IS A TRANSACTION WHICH DOES NOT INCLUDE EITHER AGRICULTURAL REAL ESTATE (AS DEFINED IN THE ACT (AS DEFINED IN PARAGRAPH 23 BELOW)), OR RESIDENTIAL REAL ESTATE (AS DEFINED IN THE ACT). THE MORTGAGOR, ON ITS OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY SUBSEQUENT TO THE DATE OF THIS MORTGAGE, HEREBY IRREVOCABLY WAIVES PURSUANT TO 735 ILCS 5/15-1601 OF THE ACT ANY AND ALL RIGHTS OF REINSTATEMENT (INCLUDING, WITHOUT LIMITATION, ALL RIGHTS OF REINSTATEMENT PROVIDED FOR IN 735 ILCS 5/15-1602) OR REDEMPTION FROM SALE OR FROM OR UNDER ANY ORDER, JUDGMENT OR DECREE OF FORECLOSURE OF THIS MORTGAGE (INCLUDING, WITHOUT LIMITATION, ALL RIGHTS OF REDEMPTION PROVIDED FOR IN 735 ILCS 5/15-1603) OR UNDER ANY POWER CONTAINED HEREIN OR UNDER ANY SALE PURSUANT TO ANY STATUTE, ORDER, DECREE OR JUDGMENT OF ANY COURT.

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21. GENERAL WAIVER. MORTGAGOR ACKNOWLEDGES THAT (A) MORTGAGOR AND MORTGAGOR'S PARTNERS, MEMBERS OR PRINCIPALS, AS THE CASE MAY BE, ARE KNOWLEDGEABLE BORROWERS OF COMMERCIAL FUNDS AND EXPERIENCED REAL ESTATE DEVELOPERS OR INVESTORS WHO UNDERSTAND FULLY THE EFFECT OF THE ABOVE PROVISIONS; (B) MORTGAGEE WOULD NOT MAKE THE LOAN WITHOUT THE WAIVERS IN THIS MORTGAGE; (C) THE LOAN IS A COMMERCIAL OR BUSINESS LOAN UNDER THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED, NEGOTIATED BY MORTGAGEE AND MORTGAGOR AND THEIR RESPECTIVE ATTORNEYS AT ARMS' LENGTH AND THE LOAN IS SECURED BY A MORTGAGE ON REAL ESTATE UNDER 815 ILCS 205/4(1); AND (D) ALL WAIVERS BY MORTGAGOR IN THIS MORTGAGE HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY, AFTER MORTGAGOR FIRST HAS BEEN INFORMED BY COUNSEL OF MORTGAGOR'S OWN CHOOSING AS TO POSSIBLE ALTERNATIVE RIGHTS, AND HAVE BEEN MADE AS AN INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A KNOWN RIGHT AND PRIVILEGE. THE FOREGOING ACKNOWLEDGMENT IS MADE WITH THE INTENT THAT MORTGAGEE AND ANY SUBSEQUENT HOLDER OF THE NOTE WILL RELY ON THE ACKNOWLEDGMENT.

22. Invalidity of Provisions; Governing Law. In the event one or more of the provisions contained in this Mortgage or the Note shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall at the option of Mortgagee, not affect any other provision of this Mortgage, and this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. This Mortgage and the Note it secures are to be construed and governed by the laws of the State of Illinois.

23. Compliance with Illinois Mortgage Foreclosure Law.

(a) In the event that any provision of this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 et seq. (herein called the "Act"), the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

(b) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of the Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law.

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IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed the day and year first above written.

Royalty Investment Group, LLC, Series B, an Illinois limited liability company,

By: Tahir Hafeez
Tahir Hafeez -- Authorized Manager

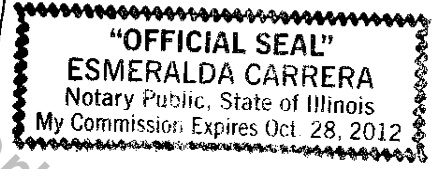
STATE OF ILLINOIS)
)
COUNTY OF will ~~COOK~~)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Tahir Hafeez, personally 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 by his own free and voluntary acts, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 16 day of November, 2011.

[Signature]

Notary Public



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EXHIBIT A

PREMISES LEGAL DESCRIPTION

LOT 21 IN BLOCK 6 IN PARMLY'S PARK ADDITION IN THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office