

# UNOFFICIAL COPY

## Illinois Anti-Predatory Lending Database Program

### Certificate of Exemption

CTI-8876091 ADL  
LND 1 of 2



1208833054

Doc#: 1208833054 Fee: \$66.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 03/28/2012 10:47 AM Pg: 1 of 15

Report Mortgage Fraud  
800-532-8785

The property identified as: PIN: 16-11-200-024-0000

#### Address:

Street: 738 N. Drake Avenue

Street line 2:

City: Chicago

State: IL

ZIP Code: 60624

Lender: James R. Hanebutt and Pamela R. Hanebutt

Borrower: Betty J. Taylor

Loan / Mortgage Amount: \$34,018.60

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.

SEARCHED  
SERIALIZED  
INDEXED  
FILED

4  
15  
N  
Y  
e

Certificate number: 9394FB7C-F751-4E7C-9000-BCFEAA2DCEF7

Execution date: 03/21/2012

Box 334

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This instrument was prepared by  
and after recording return to:

**Kenneth L. Block**  
**Law Offices of Kenneth L. Block**  
**2200 East Devon Avenue**  
**Suite 385**  
**Des Plaines, Illinois 60018-4590**

## MORTGAGE

THIS MORTGAGE is effective as of this 21st day of March, 2012 by and among **Betty J. Taylor**, <sup>single person</sup> as Grantor, whose address is 738 N. Drake Avenue, Chicago, Illinois 60624-1339 and **James R. Hanebutt and Pamela R. Hanebutt**, individually and collectively, as Co-Mortgagees, whose address is 6450 N. Nokomis Avenue, Chicago, Illinois 60646-2916.

**GRANT OF MORTGAGE.** For valuable consideration, Grantor mortgages to Co-Mortgagees all of Grantor's right, title, and interest in and to the real property described on Exhibit A attached hereto and incorporated by reference herein, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property"), Grantor presently assigns to Co-Mortgagees all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Co-Mortgagees a Uniform Commercial Code security interest in the Personal Property.

**THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THIS MORTGAGE, THE NOTE IN THE ORIGINAL PRINCIPAL AMOUNT OF \$34,018.60 AND THE OTHER RELATED DOCUMENTS. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:**

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

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

**Possession and Use.** Until Grantor's interest in any or all of the Property is foreclosed, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

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

**Compliance With Environmental Laws.** Grantor represents and warrants to Co-Mortgagees that: (1) 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 Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Co-Mortgagees in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened

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## MORTGAGE (Continued)

Page 2

release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Co-Mortgagees in writing, (a) 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 Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Co-Mortgagees and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Co-Mortgagees may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Co-Mortgagees shall be for Co-Mortgagee's purposes only and shall not be construed to create any responsibility or liability on the part of Co-Mortgagees 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 Substances. Grantor hereby (1) releases and waives any future claims against Co-Mortgagees for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify and hold harmless Co-Mortgagees against any and all claims, losses, liabilities, damages, penalties, and expenses which Co-Mortgagees 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 occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. 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 Co-Mortgagee's acquisition of any interest in the Property, whether by foreclosure or otherwise.

**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. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Co-Mortgagee's prior written consent.

**Removal of Improvements.** Grantor shall not demolish or remove any Improvements from the Real Property without Co-Mortgagee's prior written consent. As a condition to the removal of any Improvements, Co-Mortgagees may require Grantor to make arrangements satisfactory to Co-Mortgagees to replace such Improvements with Improvements of at least equal value.

**Co-Mortgagee's Right to Enter.** Co-Mortgagees and Co-Mortgagee's agents and representatives may enter upon the Real Property at all reasonable times to attend to Co-Mortgagee's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

**Subsequent Liens.** Except for any amendments or modifications to the Prior Lien (as hereinafter defined), Grantor shall not allow any subsequent liens or mortgages on all or any portion of the Property without the prior written consent of Co-Mortgagees.

**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, including without limitation, the Americans With Disabilities Act. 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 Co-Mortgagees in writing prior to doing so and so long as, in Co-Mortgagee's sole opinion, Co-Mortgagee's interests in the Property are not jeopardized. Co-Mortgagees may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Co-Mortgagees, to protect Co-Mortgagee's interest.

**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.

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## MORTGAGE (Continued)

Page 3

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

**Payment.** Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, 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 any liens having priority over or equal to the interest of Co-Mortgagees under this Mortgage, (x) except for the current lien on the Property created by the Prior Lien (and any amendments or modifications thereto); and (y) except for taxes and assessments not due as further specified in the Right to Contest paragraph.

**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 Co-Mortgagee'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 Co-Mortgagees, deposit with Co-Mortgagees cash or a sufficient corporate surety bond or other security satisfactory to Co-Mortgagees in an amount sufficient to discharge the lien plus any costs and reasonable 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 Co-Mortgagees and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Co-Mortgagees as an additional obligee under any surety bond furnished in the contest proceedings.

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

**Notice of Construction.** Grantor shall notify Co-Mortgagees 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 could be asserted on account of the work, services, or materials and the cost exceeds \$5,000.00. Grantor will upon request of Co-Mortgagees furnish to Co-Mortgagees advance assurances satisfactory to Co-Mortgagees that Grantor can and will pay the cost of such improvements.

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

**Maintenance of Insurance.** Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard Co-Mortgagees clause in favor of Co-Mortgagees. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Co-Mortgagees may request with Co-Mortgagees being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Co-Mortgagees may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Co-Mortgagees. Grantor shall deliver to Co-Mortgagees certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of thirty (30) days' prior written notice to Co-Mortgagees 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 Co-Mortgagees will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be 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, if available, within 45 days after notice is given by Co-Mortgagees that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any Prior Lien on the

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## MORTGAGE (Continued)

Page 4

property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Co-Mortgagees, and to maintain such insurance for the term of the loan.

**Application of Proceeds.** Grantor shall promptly notify Co-Mortgagees of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$5,000.00. Co-Mortgagees may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Subject to the Prior Lien, whether or not Co-Mortgagee's security is impaired, Co-Mortgagees may, at Co-Mortgagee's election, receive and retain the proceeds of any insurance and 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 Co-Mortgagees elects to apply any proceeds received by Co-Mortgagees to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Co-Mortgagees. Co-Mortgagees shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds received by Co-Mortgagees for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Subject to the Prior Lien, any proceeds received by Co-Mortgagees which have not been disbursed within 180 days after their receipt and which Co-Mortgagees has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Co-Mortgagees under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Co-Mortgagees holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

**CO-MORTGAGEES'S EXPENDITURES.** Subject to the Prior Lien, if any action or proceeding is commenced that would materially affect Co-Mortgagee's interest in the Property or if Grantor fails to comply with any provision of this Mortgage, the Note or any other Related Document, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage, the Note or any other Related Document, Co-Mortgagees on Grantor's behalf may (but shall not be obligated to) take any action that Co-Mortgagees deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Co-Mortgagees for such purposes will then bear interest at the Default Rate (as defined in the Note) from the date incurred or paid by Co-Mortgagees to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Co-Mortgagee's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Co-Mortgagees may be entitled upon the occurrence of an Event of Default.

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

**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 the Prior Lien and those set forth in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Co-Mortgagees in connection with the execution and delivery of this Mortgage or otherwise agreed to by Co-Mortgagees, and (b) Grantor has the full right, power and authority to execute and deliver this Mortgage to Co-Mortgagees.

**Defense of Title.** Subject to the Prior Lien, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. To the extent not prohibited under the Prior Lien, in the event any action or proceeding is commenced that questions Grantor's title or the interest of Co-Mortgagees under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Co-Mortgagees shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Co-Mortgagee's own choice, and Grantor will deliver, or cause to be delivered, to Co-Mortgagees such instruments as Co-Mortgagees may request from time to time to permit such participation.

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## MORTGAGE (Continued)

Page 5

**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.

**Survival of Representations and Warranties.** All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

**CONDEMNATION.** The following provisions relating to condemnation proceedings are a part of this Mortgage:

**Proceedings.** If any proceeding in condemnation is filed, Grantor shall promptly notify Co-Mortgagees in writing, and, to the extent not prohibited under the Prior Lien, 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 Co-Mortgagees 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 Co-Mortgagees such instruments and documentation as may be requested by Co-Mortgagees from time to time to permit such participation.

**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, Co-Mortgagees may, to the extent not prohibited under the Prior Lien, at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Co-Mortgagees in connection with the condemnation.

**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:

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

**Taxes.** The following shall constitute taxes to which this section applies: (1) a specific tax, including without limitation an intangible personal property tax, upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Co-Mortgagees or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

**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, and Co-Mortgagees may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Co-Mortgagees cash or a sufficient corporate surety bond or other security satisfactory to Co-Mortgagees.

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

**Security Agreement.** This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Co-Mortgagees shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

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## MORTGAGE (Continued)

Page 6

**Security Interest.** Upon request by Co-Mortgagees, Grantor shall execute financing statements and take such other action as is requested by Co-Mortgagees to perfect and continue Co-Mortgagee's security interest in the Property, the Personal Property and the Rents. In addition to recording this Mortgage in the real property records, Co-Mortgagees may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement, and other documents or instrument. Grantor shall reimburse Co-Mortgagees for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Co-Mortgagees and make it available to Co-Mortgagees within three (3) days after receipt of written demand from Co-Mortgagees to the extent permitted by applicable law.

**Addresses.** The mailing addresses of Grantor (debtor) and Co-Mortgagees (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

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

**Further Assurances.** At any time, and from time to time, upon request of Co-Mortgagees, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Co-Mortgagees or to Co-Mortgagee's designee, and when requested by Co-Mortgagees, cause to be filed, recorded, refiled or rerecorded, as the case may be, at such times and in such offices and places as Co-Mortgagees 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 Co-Mortgagees, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under this Mortgage, the Note and the other Related Documents, and (2) the liens and security interests created by this Mortgage on the Property and in the Personal Property and the Rents, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Co-Mortgagees agrees to the contrary in writing, Grantor shall reimburse Co-Mortgagees for all costs and expenses incurred in connection with the matters referred to in this paragraph.

**Attorney-In-Fact.** If Grantor fails to do any of the things referred to in the preceding paragraph, Co-Mortgagees may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Co-Mortgagees 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 Co-Mortgagee's sole opinion, to accomplish the matters referred to in the preceding paragraph.

**FULL PERFORMANCE.** If Grantor pays all the Indebtedness, including without limitation all future advances, when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Co-Mortgagees shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Co-Mortgagee's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Co-Mortgagees from time to time.

**EVENTS OF DEFAULT.** Each of the following, at Co-Mortgagee's option, shall constitute an Event of Default under this Mortgage:

**Payment Default.** Grantor fails to make any payment when due under the Indebtedness and such failure continues for five (5) days after written notice thereof to Grantor (whether by scheduled maturity, required payment, acceleration, demand or otherwise).

**Default on Other Payments.** Grantor fails 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.

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## MORTGAGE (Continued)

Page 7

**Other Defaults.** Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage, the Note or any other Related Document or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Co-Mortgagees and Grantor or the occurrence of any other Event of Default under, and as defined in this Mortgage, the Note or any Related Document.

**Default In Favor of Third Parties.** Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the indebtedness or Grantor's ability to perform Grantor's obligations under this Mortgage, the Note or any other Related Document.

**False Statements.** Any warranty, representation or statement made or furnished to Co-Mortgagees by Grantor or on Grantor's behalf under this Mortgage, the Note or any other Related Document is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

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

**Death or Insolvency.** The death of either Grantor, the insolvency of either Grantor, the appointment of a receiver for any part of either 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 either Grantor.

**Creditor or Forfeiture Proceedings.** 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 property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Co-Mortgagees written notice of the creditor or forfeiture proceeding and deposits with Co-Mortgagees monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Co-Mortgagees, in its sole discretion, as being an adequate reserve or bond for the dispute.

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

**Adverse Change.** A material adverse change occurs in either Grantor's financial condition, or Co-Mortgagees believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Co-Mortgagees in good faith believe themselves insecure.

**Right to Cure.** Except for payment defaults (which must be cured within five (5) days after written notice thereof) as provided above, if such a failure is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Grantor, after Co-Mortgagees sends written notice demanding cure of such failure: (a) cures the failure within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.



# UNOFFICIAL COPY

## MORTGAGE (Continued)

Page 8

**RIGHTS AND REMEDIES ON DEFAULT.** To the extent not prohibited under the Prior Lien, upon the occurrence of an Event of Default and at any time thereafter, Co-Mortgagees, at Co-Mortgagee's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

**Accelerate Indebtedness.** Co-Mortgagees shall have the right at its option without notice to Grantor to declare the entire indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

**UCC Remedies.** With respect to all or any part of the Personal Property, Co-Mortgagees shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

**Appoint Receiver.** Co-Mortgagees shall have the right 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 receiver may serve without bond if permitted by law. Co-Mortgagee'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 Co-Mortgagees shall not disqualify a person from serving as a receiver.

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

**Deficiency Judgment.** If permitted by applicable law, Co-Mortgagees may obtain a judgment for any deficiency remaining in the Indebtedness due to Co-Mortgagees after application of all amounts received from the exercise of the rights provided in this section.

**Tenancy at Sufferance.** If Grantor remains in possession of the Property after the Property is sold as provided above or Co-Mortgagees otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Co-Mortgagees or the purchaser of the Property and shall, at Co-Mortgagee's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Co-Mortgagees.

**Other Remedies.** Co-Mortgagees shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

**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, Co-Mortgagees shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Co-Mortgagees shall be entitled to bid at any public sale on all or any portion of the Property.

**Notice of Sale.** Co-Mortgagees 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 ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

**Election of Remedies.** Election by Co-Mortgagees to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Co-Mortgagee's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Co-Mortgagees following an Event of Default, or in any way to limit or restrict the rights and ability of Co-Mortgagees to proceed directly against Grantor and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

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## MORTGAGE (Continued)

Page 9

**Attorneys' Fees; Expenses.** If Co-Mortgagees institutes any suit or action to enforce any of the terms of this Mortgage, Co-Mortgagees shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Co-Mortgagees incurs that in Co-Mortgagee'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 at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Co-Mortgagee's reasonable attorneys' fees and Co-Mortgagee's legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees and expenses 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. Further, in the event that Co-Mortgagees is made a party to any suit or proceedings by reason of the interest of Co-Mortgagees in the Premises, Grantor shall reimburse Co-Mortgagees for all costs and expenses, including attorney's fees, incurred by Co-Mortgagees in connection therewith, whether or not said proceeding or suit ever goes to trial. All amounts incurred by Co-Mortgagees hereunder shall be secured hereby and shall be due and payable by Grantor to Co-Mortgagees forthwith on demand with interest thereon at the Default Rate under the Note from the date of such expenditure.

**NOTICES.** Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as 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 written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Co-Mortgagees informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Co-Mortgagees to any Grantor is deemed to be notice given to all Grantors.

**FINANCIAL STATEMENTS.** Throughout the term of the Mortgage, Grantor shall cause to be furnished to Co-Mortgagees such financial information concerning the Grantor as Co-Mortgagees may reasonably request from time to time, the reasonably free access to the Property and to inspect all work done and materials furnished in connection with the Property, and to inspect all books, records and contracts of Grantor relating to the Property.

**CO-MORTGAGEES'S DETERMINATION OF FACTS.** Co-Mortgagees will at all times be free independently to establish to its satisfaction and in its absolute discretion the existence or nonexistence of any fact or facts, the existence or nonexistence of which is a condition, warranty or covenant of this Mortgage, the Note or any other Related Document or in any other loan documents.

**WAIVER OF REDEMPTION.** Grantor hereby waives all rights of redemption and/or equity of redemption which exist by statute or common law for sale under any order or decree of foreclosure of this Mortgage on its own behalf and on behalf of each and every person, beneficiary or any other entity, except decree or judgment creditors of Grantor who have, or may acquire, any interest in or title to the Mortgaged Property or the trust estate pursuant to the Prior Lien or subsequent to the date hereof. Grantor hereby waives the benefit of all appraisal, valuation, stay, or extension laws now or hereafter in force and all rights of marshaling in the event of any sale hereunder of the Mortgaged Property or any part thereof or any interest therein. Grantor hereby waives the benefit of any rights or benefits provided by the Homestead Exemption laws, if any, now or hereafter in force.

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

**Amendments.** This Mortgage, together with the Note and any other Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or

# UNOFFICIAL COPY

## MORTGAGE (Continued)

Page 10

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.

**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.

**Governing Law.** This Mortgage will be governed by, construed and enforced in accordance with federal law and the laws of the State of Illinois. The loan transaction which is evidenced by the Note and this Mortgage has been applied for, considered, approved and made, and all necessary loan documents have been accepted by Co-Mortgagees in the State of Illinois.

**Choice of Venue.** If there is a lawsuit, Grantor agrees upon Co-Mortgagee's request to submit to the jurisdiction of the courts of Cook County, State of Illinois.

**No Waiver by Co-Mortgagees.** Co-Mortgagees shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Co-Mortgagees. No delay or omission on the part of Co-Mortgagees in exercising any right shall operate as a waiver of such right or any other right. A waiver by Co-Mortgagees of a provision of this Mortgage shall not prejudice or constitute a waiver of Co-Mortgagee's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Co-Mortgagees, nor any course of dealing between Co-Mortgagees and Grantor, shall constitute a waiver of any of Co-Mortgagee's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Co-Mortgagees is required under this Mortgage, the granting of such consent by Co-Mortgagees in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Co-Mortgagees.

**Severability.** If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

**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 Co-Mortgagees in any capacity, without the written consent of Co-Mortgagees.

**Successors and Assigns.** Subject to any 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, Co-Mortgagees, 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.

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

**Waive Jury.** All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural

# UNOFFICIAL COPY

## MORTGAGE (Continued)

Page 11

shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation 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 thereto.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of Default section of this Mortgage.

**Prior Lien.** The words "Prior Lien" means that certain statutory lien in favor of the City of Chicago Department of Water Management for unpaid water service in the amount of \$1,573.13 and for unpaid sewer service in the amount of \$1,333.13 as described in that certain Verified Claim for Statutory Lien recorded on August 31, 2009 as Document #0924326144 with the Cook County, Illinois Recorder of Deeds.

**Grantor.** The word "Grantor" means Betty J. Taylor, an individual, as mortgagor.

**Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Improvements.** The word "Improvements" means 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 all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Co-Mortgagees to discharge Grantor's obligations or expenses incurred by Co-Mortgagees to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage.

**Mortgage.** The word "Mortgage" means this Mortgage between Grantor and Co-Mortgagees.

**Co-Mortgagees.** The word "Co-Mortgagees" means James R. Hanebutt, an individual, and Pamela R. Hanebutt, an individual, and their successors and assigns.

**Note.** The word "Note" means the promissory note of even date herewith, in the original principal amount of \$34,018.60 from Grantor to Co-Mortgagees, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The final maturity date of the obligation secured by this Mortgage is March 31, 2022.

**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 of, 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.

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## MORTGAGE (Continued)

Page 12

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

**Real Property.** The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

**Related Documents.** The words "Related Documents" mean the Note, that certain Assignment of Rents and Leases of even date herewith between Grantor and Co-Mortgagees, all other promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, 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.

**GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.**

[SIGNATURE PAGE FOLLOWS]



# UNOFFICIAL COPY

MORTGAGE  
(Continued)

Page 14

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EXHIBIT "A"  
TO  
MORTGAGE

DATED MARCH 21, 2012

LEGAL DESCRIPTION:

SUB-LOT 1 IN SUBDIVISION OF LOTS 8 TO 11 IN BLOCK 4 IN CUSHING'S SUBDIVISION OF BLOCKS 4 AND 5 IN HARDING'S SUBDIVISION OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS:

738 N. Drake avenue, Chicago, Illinois 60624-1239

PIN NUMBER(S):

16-11-200-024