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Doc#: 1303542001 Fee: \$66.00
Karen A. Yarbrough RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 02/04/2013 09:44 AM Pg: 1 of 15

1409 / WNW 279016 / Lender / Submerge / 2 of 2 / no obj

Illinois Anti-Predatory Lending Database Program

Certificate of Exemption

Report Mortgage Fraud
800-532-8785

Property of Cook County Clerk's Office

The property identified as: PIN: 17-04-424-051-1329

Address:

Street: 1030 NORTH STATE STREET

Street line 2: UNIT 17G AND 17H

City: CHICAGO

State: IL

ZIP Code: 60610

Lender: YVONNE TREDICI TRUST

Borrower: JOHN RUDNICK

Loan / Mortgage Amount: \$530,000.00

This property is located within the program area and the transaction is exempt from the requirements of 735 ILCS 777/0 et seq. because the application was taken by an exempt entity.

S Y
P 15
S N
SC Y
INT TD

Certificate number: EEC5BF1E-D8FC-4412-8AA2-78F25DED16B4

Execution date: 01/24/2013

Box 337

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1409/15/1/19/016/cmc/Schwartz/2-08-2/no abt

This document prepared by
and after recording to:

Bruce E. Bell, Esq.
Schoenberg, Finkel, Newman
& Rosenberg
222 S. Riverside Plaza
Suite 2100
Chicago, IL 60606

Address of Property:
1030 N. State Street
Units 17G and 17H
Chicago, IL 60610

PIN: 17-04-424-051-1381;
17-04-424-051-1329

MORTGAGE

THIS MORTGAGE is made as of this 2nd day of January, 2013 between
YVONNE TREDICI TRUST, with a mailing address of 686 Ridge Road, Highland Park, Illinois 60035
("Lender" or "Mortgagee") and **JOHN RUDNICK** having a mailing address of 1030 N. State Street, Unit 17H,
Chicago, IL 60610 ("Mortgagor" or "Borrower").

RECITALS

WHEREAS, Mortgagor is indebted to Lender in the original principal amount of Five Hundred Thirty
Thousand and 00/100 Dollars (\$530,000.00), which indebtedness is evidenced by the Mortgage Note from
Mortgagor to Lender in the original principal amount of Five Hundred Thirty Thousand and 00/100 Dollars
(\$530,000.00 dated as of even date herewith along with all modifications, substitutions, extensions, replacements
and renewals thereof (collectively "Note") providing for repayment of principal and interest and providing for a

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providing for a final payment of all sums due thereunder on January 24, 2018. All obligors on the Note, which may include Mortgagor or an affiliate thereof, are collectively and individually referred to herein as "**Maker.**"

THE GRANT

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all charges provided herein and all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements contained herein and in the Note, all future advances and all other indebtedness of Mortgagor to Lender whether now or hereafter existing (collectively, the "**Secured Indebtedness**" or "**Indebtedness**") and also in consideration of Ten and 00/100 Dollars (\$10.00), the receipt and sufficiency whereof is acknowledged, Mortgagor does hereby convey, grant, mortgage and warrant to Lender the real estate ("**Real Estate**") located in the County of Cook, State of Illinois and described on Exhibit A, subject only to the covenants, conditions, easements and restrictions set forth on Exhibit B, if any, ("**Permitted Encumbrances**"). The Real Estate has the common street address of 1030 North State Street, Units 17G and 17H, Chicago, Illinois 60610 ("**Property Address**") and Lender's Mortgage shall be insured by a standard Lender's Policy of Insurance issued by Chicago Title Insurance Company or other company acceptable to Lender in the full amount of the Indebtedness and containing such endorsements as Lender may request, all at the sole cost and expense of the Mortgagor;

TOGETHER WITH all buildings, structures, improvements, tenements, fixtures, easements, mineral, oil and gas rights, appurtenances thereunto belonging, title or reversion in any parcels, strips, streets and alleys adjoining the Real Estate, any land or vaults lying within any street, thoroughfare, or alley adjoining the Real Estate, and any privileges, licenses, and franchises pertaining thereunto, all of the foregoing now or hereafter acquired, all leasehold estates and all rents, issues, and profits thereof, for so long and during all such times as Mortgagor, its successors and assigns may be entitled thereto, all the estate, interest, right, title or other claim or demand which Mortgagor now has or may hereafter have or acquire with respect to: (i) proceeds of insurance in effect with respect to the Real Estate or improvements thereon and (ii) any and all awards, claims for damages, judgments, settlements and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Real Estate or improvements thereon, including, without limitation, any awards and compensation resulting from a change of grade of streets and awards and compensation for severance damages (collectively "**Awards**") (which are each pledged primarily and on a parity with the Real Estate and not secondarily), and all apparatus, equipment or articles now or hereafter located thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, and any other apparatus, equipment or articles used or useful in the operation of the Real Estate or improvements thereon including all additions, substitutions and replacements thereof (other than any personal property or trade fixtures of any tenant on the property). All of the foregoing is declared to be a part of the Real Estate whether physically attached or not. All similar apparatus, equipment, articles and fixtures hereafter placed on the Real Estate by Mortgagor or its successors or assigns shall be considered as constituting part of the Real Estate. (All of the foregoing, together with the Real Estate (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "**Property**").

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To have and to hold the Property unto the Lender, its successors and assigns forever, for the purposes and uses set forth herein, free from all rights and benefits under any Homestead Exemption laws of the state in which the Property is located, which rights and benefits Mortgagor does hereby expressly release and waive.

COVENANTS AND AGREEMENTS

Mortgagor and Lender covenant and agree as follows:

1. **PAYMENT OF PRINCIPAL AND INTEREST.** Mortgagor shall promptly pay or cause to be paid when due all Secured Indebtedness.
2. **FUNDS FOR TAXES AND INSURANCE.** Mortgagee shall pay a monthly deposit to Mortgagee along with payments of principal and interest an amount equal to 1/12th of the estimated Real Estate Taxes as reasonably determined and estimated by Lender, but not exceeding 110% of the most recent year full year tax bill (the "*Tax Escrow*").

The Tax Escrow may be held by Lender in a common account and need not be segregated from other funds held by Lender. Lender shall apply the Tax Escrow to pay real estate taxes as they become due and payable, except upon and during the continuance of an Event or Default, Lender may apply the Tax Escrow to the Secured Indebtedness as Lender sees fit. Lender shall not be required to pay any interest or earnings on the Tax Escrow unless otherwise required by law, in which case, all interest shall accrue in the depository account and become the property of Lender. Provided Mortgagor is not in Default, and there are sufficient funds in the Tax Escrow, Lender shall pay the real estate taxes prior to delinquency. In the event the Tax Escrow does not contain sufficient funds to pay any installment of real estate taxes, Lender shall notify Mortgagor of same in writing and Mortgagor shall within five (5) days remit such shortfall to enable Lender to pay such real estate taxes. Further, in the event Lender does not pay the real estate taxes when due, which non-payment continues for a period of five (5) business days following written notice from Mortgagor to Lender, then Mortgagor shall have the right to pay such taxes and deduct the amount so paid from the next mortgage payments due until such payment is offset in full.

3. **APPLICATION OF PAYMENTS.** Unless prohibited by applicable law, all payments received by Lender under this Mortgage, the Note, and all documents given to Lender to further evidence, secure or guarantee the Secured Indebtedness (collectively, and as amended, modified or extended, the "*Loan Documents*") shall be applied by Lender first to payments required from Mortgagor to Lender under Paragraph 2, then to any sums advanced by Lender pursuant to Paragraph 8 to protect the security of this Mortgage, then to interest payable on the Note, and then to Note principal (and if principal is due in installments, application shall be to such installments in the inverse order of their maturity).

4. **LIENS.** Mortgagor shall keep the Property free from mechanics' and all other encumbrances and liens, except Permitted Encumbrances and statutory liens for real estate taxes and assessments not yet due and payable and except for mechanics liens that Mortgagor is diligently contesting, in which case Mortgagor shall provide such assurances as Lender shall reasonably request, to protect against said lien attaching to the Property. In the event of a mechanics' lien resulting from work Mortgagor has done in the Unit, Mortgagor shall immediately

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shall immediately notify Lender in writing and shall forthwith contest same through proper judicial proceedings and diligently prosecute same to conclusion and ultimate removal of the lien through payment or release. Provided Mortgagor is diligently disputing such mechanics lien claim, the lien shall not constitute an event of default hereunder. In the event Mortgagor does not prevail in its dispute, it shall pay such mechanics lien and have it released of record prior to foreclosure by the mechanics lien claimant.

5. **UTILITIES; ASSESSMENTS; RENTS.** Mortgagor shall pay or cause to be paid when due all utilities, water, sewer and other charges, fines and impositions attributable to the Property. Failure to do so shall constitute an Event of Default hereunder.

6. **INSURANCE. DEFINITIONS.** For purposes of this Section 6:

Mortgagor shall maintain the following policies of insurance throughout the term of the Loan:

(a) **Casualty.** Insurance against Casualty to the Property under a policy or policies covering such risks as are presently included in "special form" (also known as "all risk") homeowner's coverage, including such risks as are ordinarily insured against by similar properties, but in any event including fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, smoke, vandalism, malicious mischief. Such insurance shall name Lender as mortgagee and loss payee. Unless otherwise agreed in writing by Lender, such insurance shall be for the full insurable value of the Property on a replacement cost basis, with a deductible amount, if any, satisfactory to Lender. No policy of insurance shall be written such that the proceeds thereof will produce less than the minimum coverage required by this Section by reason of co-insurance provisions or otherwise. The term "full insurable value" means one hundred percent (100%) of the actual replacement cost of the Property.

So long as the Homeowners' Association governing the Property maintains, with a generally accepted insurance carrier, a "Master" or "Blanket" policy on the condominium project with the same or substantially similar coverage maintained by such Association on the date of this Mortgage, which provides insurance coverage in the amounts, for the periods, and against loss by fire, hazards included within the term "Extended Coverage," then: (i) Lender waives its right to collect yearly installments of such insurance premiums directly from the Borrower; and (ii) Borrower's obligation under Section 6(a), above, is deemed satisfied and acceptable to Lender to the extent that the required coverage is provided by the Homeowners' Association Policy.

(b) **APPLICATION OF PROCEEDS.** If all or any part of the Premises shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Paragraph 10, Mortgagor shall promptly and with all due diligence repair such damage whether or not the net insurance proceeds, award or other compensation (collectively, the "Proceeds") are sufficient to pay the cost of such restoration or repair. Provided Mortgagor is not then in Default under this Mortgage or Note, Mortgagor shall be permitted to apply insurance proceeds to the repair and replacement of any and all personal and real property.

If Lender requires mechanics' and materialmen's lien waivers in advance of making disbursements, such waivers shall be deposited with an escrow trustee acceptable to Lender pursuant to a construction loan escrow agreement satisfactory to Lender. No payment made prior to final completion of the repair or restoration shall exceed ninety percent (90%) of the value of the work performed from time to time. Lender may not commingle

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may not commingle any such funds held by it with its other general funds. Lender shall not be obligated to pay interest in respect of any such funds held by it nor shall Mortgagor be entitled to a credit against any of the Secured funds held by it nor shall Mortgagor be entitled to a credit against any of the Secured Indebtedness except and to the extent the funds are applied thereto pursuant to this Paragraph 6. Without limitation of the foregoing, Lender shall have the right at all times to apply such funds to the cure of any Event of Default of Mortgagor under the Loan Documents.

7. **USE, PRESERVATION AND MAINTENANCE OF PROPERTY.** Mortgagor shall keep the Property in good condition and repair, reasonable wear and tear excepted, and shall not commit waste or permit impairment or deterioration of the Property. Mortgagor shall not allow, store, treat or dispose of Hazardous Material as defined in Paragraph 29, nor permit the same to exist or be stored, treated or disposed of, from or upon the Property. Mortgagor shall promptly restore or rebuild any buildings or improvements now or hereafter on the Property which may become damaged or destroyed. Mortgagor shall comply with all requirements of law or municipal ordinances with respect to the use, operation, and maintenance of the Property, including all environmental, health and safety laws and regulations, and shall make no material alterations in the Property except as required by law or otherwise permitted hereunder, without the prior written consent of Lender. Mortgagor shall not grant or permit any easements, licenses, covenants or declarations of use against the Property other than the Permitted Encumbrances without the written consent of Lender, not to be unreasonably withheld.

8. **PROTECTION OF LENDER'S SECURITY.** Upon an Event of Default, then Lender, at Lender's option, upon notice to Mortgagor, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as it deems expedient or necessary to protect Lender's interest, including (i) making repairs; (ii) discharging Senior Indebtedness in full or part; (iii) paying, settling, or discharging tax liens, mechanics' or other liens, and paying ground rents (if any); (iv) procuring insurance; and (v) renting, operating and managing the Property and paying operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Property shall be operational and usable for its intended purposes. Lender, in making payments of Impositions and assessments, may do so in accordance with any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of same or into the validity thereof.

Any amounts disbursed by Lender pursuant to this Paragraph 8 shall be a part of the Secured Indebtedness and shall bear interest at the default interest rate provided in the Note (the "*Default Rate*"). Nothing contained in this Paragraph 8 shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account of this Paragraph 8.

9. **INTENTIONALLY OMITTED.**

10. **CONDEMNATION.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid directly to Lender. Mortgagor hereby grants a security interest to Lender in and to such proceeds. At Lender's election, to apply said proceeds either to restoration or repair of the Property or in payment of the Secured Indebtedness. In the event the Property is restored, Lender shall pay the condemnation proceeds in accordance with its customary construction loan payment procedures, and may charge its customary fee for such services. In the event the condemnation proceeds are applied to reduce the

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reduce the Secured Indebtedness, any such application shall constitute a prepayment.

11. **MORTGAGOR NOT RELEASED; FORBEARANCE BY LENDER NOT A WAIVER; REMEDIES CUMULATIVE.** Any extension or other modification granted by Lender to any successor in interest of Mortgagor of the time for payment of all or any part of the Secured Indebtedness shall not operate to release, in any manner, Mortgagor's liability. Any forbearance or inaction by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the later exercise of any such right or remedy. Any acts performed by Lender to protect the security of this Mortgage, as authorized by Paragraph 8 or otherwise, shall not be a waiver of Lender's right to accelerate the maturity of the Indebtedness. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively. No consent or waiver by Lender to or of any breach or default by Mortgagor shall be deemed a consent or waiver to or of any other breach or default.

12. **SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS.** The covenants and agreements contained herein shall bind, and the rights hereunder shall inure to, the respective heirs, executors, legal representatives, successors and permitted assigns of Lender and Mortgagor.

13. **EXCESS LOAN CHARGES.** If the Loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Maker which exceeded permitted limits ("*Excess Loan Charges*") will, at Lender's option, either be refunded to Maker or applied as a credit against the then outstanding principal balance or accrued and unpaid interest thereon. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. Neither Mortgagor nor any other guarantor or obligor on the Note shall have any action against Lender for any damages whatsoever arising from the payment of Excess Loan Charges.

14. **INTENTIONALLY OMITTED.**

15. **NOTICE.** Except for any notice required under applicable law to be given in another manner, any notices required or given under this Mortgage shall be given by hand delivery, by nationally recognized overnight courier, personal delivery service or by certified mail, return receipt requested. Notices shall be given to Mortgagor at the address provided above, and to Lender at Lender's address stated above with a copy to Bruce F. Bell, Esq.; Schoenberg, Finkel, Newman & Rosenberg, LLC, 222 S. Riverside Plaza, Suite 2100, Chicago, IL 60606. Notices shall be deemed to have been given and effective on the date of delivery, if hand-delivered, the next business day after delivery to the nationally recognized overnight courier service if by such courier service, upon transmission by facsimile (with accompanying fax log showing proof of transmission), or three (3) business days after the date of mailing shown on the certified receipt, if mailed. Any party hereto may change the address to which notices are given by notice as provided herein.

16. **GOVERNING LAW; SEVERABILITY.** The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage, the Note or any of the other Loan Documents conflicts with applicable law, or is adjudicated to be invalid or unenforceable same shall not

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unenforceable same shall not affect other provisions of this Mortgage, the Note or any of the other Loan Documents which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage, the Note or any of the other Loan Documents are declared to be severable and the validity or enforceability of the remainder of the Loan Document in question shall be construed without reference to the conflicting, invalid or unenforceable clause or provision.

17. **PROHIBITIONS ON TRANSFER OF THE PROPERTY OR OF AN INTEREST IN MORTGAGOR.** It shall be an immediate default if, without the prior written consent of Lender, which consent may be granted or withheld at Lender's sole discretion, Mortgagor shall create, effect or consent to or shall suffer or permit any conveyance, sale (including an installment sale), assignment, transfer, lien, pledge, hypothecation, mortgage, security interest, or other encumbrance or alienation, whether by operation of law, voluntarily or otherwise, (collectively "*Transfer*") of (1) the Property or any part thereof or interest therein; or (2) all or a portion of the stock of Mortgagor that results or could result in a material change in control of such corporation (each of the foregoing is referred to as a "*Prohibited Transfer*"). In the event of such default, Lender, at its sole option, may declare the entire unpaid balance, including interest, immediately due and payable. This option shall not be exercised by Lender if prohibited by Federal law.

18. **EVENT OF DEFAULT.** Each of the following shall constitute an event of default ("*Event of Default*") under this Mortgage:

- (a) Any "default" or "event of default" under the Note or other Loan Documents;
- (b) A Prohibited Transfer occurs;
- (c) A court having jurisdiction shall enter a decree or order for relief in respect of Mortgagor, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law which is not dismissed within sixty (60) days thereafter; or if Mortgagor, shall: (i) file a voluntary petition in bankruptcy, insolvency, debtor relief or for arrangement, reorganization or other relief under the Federal Bankruptcy Act or any similar state or federal law; (ii) consent to or suffer the appointment of or taking possession by a receiver, liquidator, or trustee (or similar official) of the Mortgagor or for any part of the Property or any substantial part of the Mortgagor's other property which, if involuntary, is not dismissed or set aside within sixty (60) days thereafter; (iii) make any assignment for the benefit of Mortgagor's creditors; (iv) fail generally to pay Mortgagor's debts as they become due;
- (d) All or a substantial part of Mortgagor's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon;
- (e) If Mortgagor is other than a natural person or persons: (i) the dissolution or termination of existence of Mortgagor, voluntarily or involuntarily, whether by reason of death of a general partner of Mortgagor or otherwise; (ii) the amendment or modification in any respect of Mortgagor's articles or agreement of partnership or its corporate resolutions or its articles of incorporation or bylaws that would affect Mortgagor's performance of its obligations under the Note, this Mortgage or the other Loan Documents;
- (f) This Mortgage shall not constitute a valid lien on and security interest in the Property (subject only to the Permitted Encumbrances), or if such lien and security interest shall not be perfected;

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- (g) Mortgagor amends or modifies the Mortgage without Lender's prior written consent.

19. **ACCELERATION; REMEDIES.** AT ANY TIME AFTER AN EVENT OF DEFAULT AND DURING THE CONTINUANCE THEREOF, LENDER, AT LENDER'S OPTION, MAY DECLARE ALL SUMS SECURED BY THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS TO BE IMMEDIATELY DUE AND PAYABLE WITHOUT FURTHER DEMAND AND MAY FORECLOSE THIS MORTGAGE BY JUDICIAL PROCEEDING. LENDER SHALL BE ENTITLED TO COLLECT IN SUCH PROCEEDING ALL EXPENSES OF FORECLOSURE, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COSTS INCLUDING ABSTRACTS AND TITLE REPORTS, ALL OF WHICH SHALL BECOME A PART OF THE SECURED INDEBTEDNESS AND IMMEDIATELY DUE AND PAYABLE, WITH INTEREST AT THE DEFAULT RATE. THE PROCEEDS OF ANY FORECLOSURE SALE OF THE PROPERTY SHALL BE APPLIED AS FOLLOWS: FIRST, TO ALL COSTS, EXPENSES AND FEES INCIDENT TO THE FORECLOSURE PROCEEDINGS; SECOND, AS SET FORTH IN PARAGRAPH 3 OF THIS MORTGAGE; AND THIRD, ANY BALANCE TO MORTGAGOR OR AS A COURT MAY DIRECT.

20. **RELEASE.** Upon payment of all Secured Indebtedness, Lender shall release this Mortgage. Mortgagor shall be responsible for recording the release, including all related costs of recordation.

21. **SECURITY AGREEMENT.** Without limiting any other provisions of this Mortgage, this Mortgage constitutes a Security Agreement under the Uniform Commercial Code of the State of Illinois (hereinafter called the "*Code*") with respect to all fixtures, apparatus, equipment or articles, and all replacements and substitutions, now or hereafter located on the Property as set forth in the description of the Property above.

22. **ZONING.** The Property is zoned to permit the current operation and use of the Property. Mortgagor will not initiate or acquiesce in a zoning reclassification without Lender's prior written consent, not to be unreasonably withheld.

23. **PRINCIPAL AMOUNT OF MORTGAGE.** At no time shall the principal amount of the indebtedness secured by this Mortgage (not including sums advanced for Impositions and insurance premiums or to protect the security of this Mortgage) exceed three times the stated principal amount of the Note.

24. **ENVIRONMENTAL COMPLIANCE.**

A. **Definitions.** For purposes of this Paragraph 29:

(i) "Premises" means: The Real Estate including improvements presently and hereafter situated thereon or thereunder, construction material used in such improvements, surface and subsurface soil and water, areas leased to tenants, and all business, uses and operations thereon.

(ii) "Environmental Laws" means: any present or future federal statute, law, code, rule, regulation, ordinance, order, standard, permit, license, guidance document or requirement (including consent decrees, judicial decisions and administrative orders) together with all related amendments, implementing regulations and reauthorizations, pertaining to the protection, preservation, conservation or regulation of the environment, including, but not limited to: the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 *et seq.* ("CERCLA"); the Resource Conservation and Recovery Act, 42 U.S.C.

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Recovery Act, 42 U.S.C. §6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. §2601 et seq. ("TOSCA"); the Clean Air Act, 42 U.S.C. §7401 et seq., and the Clean Water Act, 33 U.S.C. §1251 et seq.

(iii) "Hazardous Material" shall have the meaning set forth in any Environmental Law and shall also include "hazardous substances," "hazardous wastes," "pollutants" and words of similar import, use or meaning and defined in any Environmental Law.

B. REPRESENTATIONS AND WARRANTIES. Mortgagor hereby represents and warrants to Lender that to the best of Mortgagor's knowledge based on all appropriate and thorough inquiry, the Premises and Mortgagor have been and are currently in compliance with all Environmental Laws; there have been, to the best of Mortgagor's knowledge based on all appropriate and thorough inquiry, no past, and there are no pending or threatened, environmental actions to which Mortgagor is a party or which relate to the Premises; all required governmental permits and licenses are in effect, and Mortgagor is in compliance therewith; and Mortgagor has not received any notice of any environmental action respecting Mortgagor, the Premises or any off-site facility to which has been sent any Hazardous Material for off-site treatment, recycling, reclamation, reuse, handling, storage, sale or disposal.

C. MORTGAGOR'S COVENANTS. Mortgagor hereby covenants and agrees with Lender as follows:

(i) **COMPLIANCE.** The Premises and Mortgagor shall comply at all times with all Environmental Laws. All required governmental permits and licenses shall be obtained and maintained, and Mortgagor shall comply therewith. All Hazardous Material on the Premises will be disposed of in a lawful manner without giving rise to liability under any Environmental Laws. Mortgagor will satisfy all requirements of applicable Environmental Laws for the registration, operation, maintenance, closure and removal of all underground storage tanks on the Premises, if any. Without limiting the foregoing, all Hazardous Material shall be handled in compliance with all applicable Environmental Laws.

(ii) **ABSENCE OF HAZARDOUS MATERIAL.** No Hazardous Material shall be introduced to or used, exposed, released, emitted, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on the Premises without thirty (30) days' prior written notice to Lender.

(iii) **ENVIRONMENTAL ACTIONS AND RIGHT TO CONSENT.** Mortgagor shall immediately notify Lender of all environmental actions and provide copies of all written notices, complaints, correspondence and other documents relating thereto within two business days of receipt, and Mortgagor shall keep Lender informed of all responses thereto. Mortgagor shall promptly cure and have dismissed with prejudice all environmental actions in a manner satisfactory to Lender and Mortgagor shall keep the Premises free of any encumbrance arising from any judgment, liability or lien imposed pursuant to any environmental actions.

(iv) **EVENT OF DEFAULT AND OPPORTUNITY TO CURE.** If Mortgagor fails to comply with any of its covenants contained in this Section within thirty (30) days after written notice by Lender to Mortgagor, Lender may, at its option, declare an Event of Default. If, however, the noncompliance cannot, in Lender's reasonable determination, be corrected within such thirty (30) day

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period, and if Mortgagor has promptly commenced and diligently pursues action to cure such noncompliance to Lender's satisfaction, then Mortgagor shall have such additional time as is reasonably necessary to correct such noncompliance, provided Mortgagor continues to diligently pursue corrective action, but in no event more than a total of one hundred eighty (180) days after the initial notice of noncompliance by Lender.

(v) **FEES, COSTS AND EXPENSES.** Any fees, costs and expenses imposed upon or incurred by Lender on account of any breach of this Paragraph 29 shall be immediately due and payable by Mortgagor to Lender within ten (10) days following written demand, and shall (together with interest thereon at the Default Rate accruing from the date such fees, costs and expenses are so imposed upon or incurred by Lender) become part of the Secured Indebtedness. Mortgagor shall keep, save and protect, defend, indemnify and hold Lender harmless from and against any and all claims, loss, costs, damage, liability or expense including reasonable attorneys' fees, sustained or incurred by Lender by reason of any Environmental Proceedings or the breach or default by Mortgagor of any representation, warranty or covenant contained in this Paragraph 29.

D. **LENDER'S RIGHT TO RELY.** Lender is entitled to rely upon Mortgagor's representations, warranties and covenants contained in this Article despite any independent investigations by Lender or its consultants. The Mortgagor shall take all necessary actions to determine for itself, and to remain aware of, the environmental condition of the Property.

E. **INDEMNIFICATION.** The term "Lender's Environmental Liability" shall mean any and all losses, liabilities, obligations, penalties, claims, fines, loss of profits, demands, litigation, defenses, costs, judgments, suits, proceedings, damages (including consequential, punitive and exemplary damages), distributions or expenses of any kind or nature whatsoever (including reasonable attorneys' fees at trial and appellate levels and experts' fees and disbursements and expenses incurred in investigating, defending against, settling or prosecuting any suit, litigation, claim or proceeding) which may at any time be either directly or indirectly imposed upon, incurred by or asserted or awarded against Lender or any of Lender's parent and subsidiary corporations and their affiliates, shareholders, directors, officers, employees, and agents (collectively Lender's "Affiliates") in connection with or arising from:

- (i) any Hazardous Material used, exposed, emitted, released, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on, in or under all or any portion of the Premises, or any surrounding areas;
- (ii) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement contained or referred to in this Article;
- (iii) any violation, liability or claim of violation or liability, under any Environmental Laws;
- (iv) the imposition of any lien for damages caused by, or the recovery of any costs incurred for the cleanup of, any release or threatened release of Hazardous Material; or
- (v) any environmental actions.

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Mortgagor shall indemnify, defend (at trial and appellate levels and with counsel, experts and consultants reasonably acceptable to Lender and at Mortgagor's sole cost) and hold Lender and its Affiliates free and harmless from and against any Lender's Environmental Liability (collectively "Mortgagor's Indemnification Obligations"). Mortgagor's Indemnification Obligations shall survive in perpetuity with respect to any Lender's Environmental Liability.

Mortgagor and its successors and assigns hereby waive, release and agree not to make any claim or bring any cost recovery action against Lender under or with respect to any Environmental Laws. Mortgagor's obligation to Lender under this indemnity shall likewise be without regard to fault on the part of Mortgagor with respect to the violation or condition which results in liability to Lender.

25. **INTERPRETATION.** This Mortgage shall be construed pursuant to the laws of the State of Illinois. The headings of sections and paragraphs in this Mortgage are for convenience only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions. The use of singular and plural nouns, and masculine, feminine, and neuter pronouns, shall be fully interchangeable, where the context so requires. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstances, is adjudicated to be invalid, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included. Time is of the essence of the payment and performance of this Mortgage.

26. **COMPLIANCE WITH ILLINOIS MORTGAGE FORECLOSURE LAW.** If any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101 et.seq. (1992 State Bar Edition) of the Illinois Compiled Statutes) (the "Act") the provisions of the Act shall take precedence over the Mortgage provisions, but shall not invalidate or render unenforceable any other Mortgage provision that can be construed in a manner consistent with the Act.

Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in Paragraph 19 of this Mortgage, shall be added to the Indebtedness secured by this Mortgage or by the judgment of foreclosure.

27. **WAIVER OF JURY TRIAL.** TO THE EXTENT PERMITTED BY LAW, MORTGAGOR AND LENDER WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (I) UNDER THIS MORTGAGE, THE OTHER LOAN DOCUMENTS OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH; OR (II) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS. MORTGAGOR AND LENDER AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

28. **TAX REPORTING.** Lender shall annually prepare and provide Mortgagor with a 1099-Interest form on or before any deadlines required by the Internal Revenue Code of 1984, as amended, and the Regulations promulgated thereunder.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the day and year first above written.

MORTGAGOR:

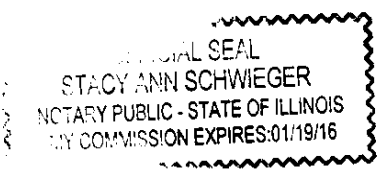



John Rudnick

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that JOHN RUDNICK, individually, personally known to me to be the same person whose name is subscribed to the foregoing instrument as, appeared before me this day in person and acknowledged to me he, being thereunto duly authorized, signed, and delivered the said instrument, as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 24th day of January 2013.





Notary Public

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STREET ADDRESS: 1030 NORTH STATE STREET #17G, 17H

CITY: CHICAGO

COUNTY: COOK

TAX NUMBER: 17-04-424-051-1381 *and* 17-04-424-051-1329

LEGAL DESCRIPTION:

PARCEL 1:

UNIT 17-G AND 17-H IN NEWBERRY PLAZA CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:

LOTS 1 TO 11 BOTH INCLUSIVE, AND VACATED ALLEY ADJACENT THERETO IN NEWBERRY ESTATE TRUSTEES SUBDIVISION OF LOT 5 IN BLOCK 16 IN BUSHNELL'S ADDITION TO CHICAGO IN THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND BLOCK 5 IN CANAL TRUSTEES SUBDIVISION OF THE SOUTH FRACTIONAL 1/4 OF SECTION 2, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

WHICH SURVEY IS ATTACHED AS EXHIBIT 'A' TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT 25773994, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS.

PARCEL 2:

EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 AS SET FORTH IN THE DECLARATION OF EASEMENTS RECORDED AS DOCUMENT 25773375, IN COOK COUNTY, ILLINOIS.

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EXHIBIT B

PERMITTED ENCUMBRANCES

1. Real estate taxes for 2012 and subsequent years not yet due and payable.
2. The lien securing Indebtedness.
3. Public and private easements of record, utility easements, zoning and building codes and ordinances.
4. Acts done by or through or with the consent of Mortgagor.

Property of Cook County Clerk's Office