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## Illinois Anti-Predatory Lending Database Program

### Certificate of Exemption

Doc#: 1602933047 Fee: \$60.00  
RHSP Fee: \$9.00 RPRF Fee: \$1.00  
Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 01/29/2016 01:52 PM Pg: 1 of 12

Report Mortgage Fraud  
800-532-8785

4084 SEI

155A211334LFE

"CT"

The property identified as: PIN: 16-17-200-021-0000

**Address:**

**Street:** 139-145 S. Austin Boulevard

**Street line 2:** 5964-5974 W. Adams Street

**City:** Chicago

**State:** IL

**ZIP Code:** 60644

**Lender:** 139 Austin L.P.

**Borrower:** 308 Madison, LLC

**Loan / Mortgage Amount:** \$150,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is commercial property.

*Box 400*

S Y  
P 12  
S N  
SC Y  
INIT TY

**Certificate number:** 02111957-FB8E-4574-8FE9-1479B2A5FE87

**Execution date:** 1/15/2016

Property of Cook County Clerk's Office

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## JUNIOR MORTGAGE

THIS JUNIOR MORTGAGE ("Mortgage") is given on January 15, 2016. The Mortgagors are 308 Madison, LLC, an Illinois single member limited liability company that Derrell McDavid is the sole member and Derrell McDavid, personally, whose address is 308 Madison Avenue, Oak Park, Illinois 60302, ("Borrower"). This Mortgage is given to 139 Austin L.P. that is organized and existing under the laws of the State of Illinois and whose address is 1020 W. Fullerton Avenue, Suite G, Addison, Illinois 60101 ("Lender"). Borrower owes the Lender the principal sum of One Hundred Fifty Thousand and no/100 Dollars (U.S. \$150,000.00) This debt is evidenced by Borrower's Note dated the same date as this Mortgage ("Note"), that provides for the full debt, if not paid earlier, due and payable on July 14, 2017. This Mortgage secures to the Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 6 to protect the security of the Mortgage and (c) the performance of Borrowers' covenants and agreements under this Mortgage and Note. For this purpose Borrowers do hereby mortgage, grant and convey to Lender the following described property in Cook County, Illinois, as more particularly described in Exhibits A attached hereto and made a part hereof.

TOGETHER with all buildings, improvements, appurtenances and tenements now or hereafter erected on the property, and all heretofore or hereafter vacated alleys and streets abutting the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits thereof herein referred to as the "Property".

BORROWER covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, convey and assign the Property that the property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record..

1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, any prepayment and late charges provided in the Note and all other sums secured by this Instrument. In the event the agreed payment is less than the interest due then the excess unpaid interest shall be added to the principal.

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2. TAXES, INSURANCE AND OTHER CHARGES. In the event Borrower fails to so insure, or pay taxes or assessments, or the prior encumbrances or the interest on those prior encumbrances when due, the Lender may procure that insurance, or pay those taxes or assessments or discharge or purchase any tax lien or title affecting the Premises, or pay all prior encumbrances and the interest on those prior encumbrances from time to time; and Borrower agrees to repay Lender all such money paid immediately without demand, together with interest from the date of payment at the rate provided in the Note which shall be additional indebtedness secured by this Second Mortgage.

Further, if the First Mortgagee does not require Borrower to establish an escrow account for the payment of taxes, Lender reserves the right to require Borrower to do so. In that event, Borrower shall pay to Lender an installment (herein "Funds") equal to one-twelfth of taxes and assessments which may be levied or to be levied on the Property as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

Each monthly installment for taxes shall equal one-twelfth of the annual amounts, as reasonably estimated by Lender, plus an amount sufficient to maintain an additional balance of not more than one-sixth of the estimated amounts. The full annual amount for each item shall be accumulated by Lender within a period ending one month before taxes would become delinquent. Lender shall hold any amounts collected by Lender in trust to pay taxes so long as Borrower is not in breach of any covenant or agreement of Borrower in this Instrument. Lender shall not be required to pay Borrower any interest on the Funds. The Funds are pledged as additional security for the sums secured by this Instrument. If at any time the amount of the Funds held by Lender shall be less than the amount deemed necessary by Lender to pay taxes as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days after notice from Lender to Borrower requesting payment thereof.

Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Lender may apply, in any amount as Lender shall determine in Lender's sole discretion, any Funds held by Lender at the time of application (i) to pay taxes, assessments which are now or will hereafter become due, or (ii) apply such Funds as a credit against sums secured by this Instrument.

Upon payment in full of all sums secured by this Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

3. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Lender from Borrower under the Note or this instrument shall be applied by Lender in the following order of priority: (i) interest due under the Note; (ii) amortization of the principal of the Note; (iii) interest payable on advances made pursuant to paragraph 8 hereof; (iv) late charges due under the Note.

4. CHARGES; LIENS. Borrower shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, Fees, and

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Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 2. Without Lender's prior written permission, Borrower shall not allow any lien inferior to this Instrument to be perfected against the Property.

5. HAZARD INSURANCE. Borrower shall keep the improvements now existing or hereafter erected on the Property insured by carriers at all times satisfactory to Lender against loss by fire, hazards included within the term "extended coverage", rent loss and such other hazards, casualties, liabilities and contingencies as Lender shall require and in such amounts and for such periods as Lender shall require. All premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. At least thirty days prior to the expiration date of a policy, Borrower shall deliver to Lender a renewal policy in form satisfactory to Lender. In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Borrower hereby authorizes and empowers Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's expenses incurred in the collection of such proceeds; provided however, that nothing contained in this paragraph 5 shall require Lender to incur any expense or take any action hereunder. Borrower further authorizes Lender to apply the balance of such proceeds to the payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in paragraph 3 hereof accounting to the mortgagor for any surplus. In the event the mortgagor does not renew the insurance policy then mortgagee may obtain loss payee insurance coverage only, which cost shall be payable by the mortgagor. Failure to reimburse the mortgagee for the cost of this policy within 30 calendar days after being mailed a bill for it shall constitute default under the mortgage.

If the insurance proceeds are applied to the payment of the sums secured by this Instrument, any such application of proceeds to principal shall not extend or postpone the due dates of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amounts of such installments. If the Property is sold pursuant to Paragraph 15 hereof or if Lender acquires title to the property, Lender shall have all of the right, title and interest of Borrower in and to such insurance policies and unearned premiums thereon and to the proceeds resulting from any damage to the Property prior to such sale and acquisition.

6. PRESERVATION AND MAINTENANCE OF PROPERTY Borrower (a) shall not commit waste or permit impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances thereon in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply with all laws,

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ordinances, regulations and requirements of any governmental body applicable to the Property, and (f) shall give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security of this Instrument or the rights or powers of Lender.

7. USE OF PROPERTY. Property may be used only for purposes permitted by law.

8. PROTECTION OF LENDER'S SECURITY. If Borrower fails to perform the covenants and agreements contained in this instrument, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such action as Lender deems necessary, in its sole discretion to protect Lender's interest, including, but not limited to, (i) disbursement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of satisfactory insurance as provided in paragraph 5 hereof and may also (iv) declare all of the sums secured by this Instrument to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by paragraph 19 of this Instrument.

Any amounts disbursed by Lender pursuant to this paragraph 8, with interest thereon at the rate stated in the Note, shall become additional indebtedness of Borrower secured by this Instrument.

9. INSPECTION. Lender may make or cause to be made reasonable entries upon and inspections of the Property.

10. CONDEMNATION. Borrower shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, and Borrower shall appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. Borrower authorizes Lender, at Lender's option, as attorney-in-fact for Borrower, to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any condemnation or other taking of the Property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned to and shall be paid to Lender.

Borrower authorizes Lender to apply such awards, payments, proceeds or damages, after the deduction of Lender's expenses incurred in the collection of such amounts, to payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in paragraph 3 hereof, with the balance, if any, to Borrower. Unless Borrower and Lender otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. Borrower agrees to execute such further evidence of assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as lender may require.

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11. SECURITY AGREEMENT. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

(a) Security Interest. Upon Lender's request, Borrower shall execute financing statements and take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage, Lender may, at any time and without further authorization from Borrower, file executed counterparts, copies or reproductions of the Mortgage as a financing statement. Borrower shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Borrower shall not remove, sever or detach the Personal Property from the Property.

(b) Addresses. The mailing addresses of Borrower (debtor) and Lender (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.

12. EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of default under this Mortgage:

(a) Payment Default. The Borrower does not pay in full any sum due from it under this Agreement at the place, the time, and in the manner specified in this Agreement.

(b) Default in Favor of Third Parties. Should Borrower default under any loan, extension of credit, security agreement, purchase or sale agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's ability to repay the indebtedness or Borrower's ability to perform Borrower's obligations under this Mortgage or any related document.

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

13. RIGHTS AND REMEDIES IN DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender, at Lender'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:

(a) UCC Remedies. With respect to all or part of the Personal Property, Lender shall have the rights and remedies of a secure party under the Uniform Commercial Code.

(b) Collect Rents. Lender shall have the right, without notice to Borrower, to take possession of the Property and collect rents, including amounts past due and unpaid and apply the net proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender may require any tenant to make payments of rent directly to Lender. If the Rents are collected by Lender, the Borrower irrevocably designates Lender as Borrower's attorney-in-fact

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to endorse instruments received in payment thereof in the name of Borrower and to negotiate the same and collect the proceeds.

(c) **Judicial Foreclosure.** Lender may obtain a judicial decree foreclosing Borrower's interest in all or any part of the Property.

(d) **Other Remedies.** Lender shall have all the other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

**14. ACCELERATION IN CASE OF BORROWER'S INSOLVENCY.** If Borrower shall voluntarily file a petition under the Federal Bankruptcy Act, as such Act may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Borrower shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Borrower, or if Borrower shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Borrower or Borrower's property, or if the Property shall become subject to the jurisdiction of a Federal bankruptcy court or similar state court, or if Borrower shall make an assignment for the benefit of Borrower's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Borrower's assets and such seizure is not discharged within ten days, then Lender may, at Lender's option, declare all of the sums secured by this Instrument to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by paragraph 19 of this Instrument. Any attorney's fees and other expenses incurred by Lender in connection with Borrower's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Borrower secured by this Instrument pursuant to paragraph 8 hereof.

**15. TRANSFERS OF THE PROPERTY OR BENEFICIAL INTERESTS IN BORROWER; ASSUMPTION.** On sale or transfer of (i) all or any part of the Property, or any interest therein, or (ii) beneficial interests in Borrower (if Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity), Lender may, at Lender's option, declare all of the sums secured by this Instrument to be immediately due and payable, and Lender may invoke any remedies permitted by paragraph 19 of this Instrument.

**16. FORBEARANCE BY LENDER NOT A WAIVER.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Instrument.

**17. REMEDIES CUMULATIVE.** Each remedy provided in this instrument is distinct and cumulative to all other rights or remedies under this Instrument, or afforded by law or equity and may be exercised concurrently, independently, or successively, in any order whatsoever.

**18. NOTICE.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Instrument or in the Note shall be given by

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mailing such notice by first class mail addressed to Borrower at Borrower's address stated on page one of this Mortgage or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Instrument or in the Note shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

19. **SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; AGENTS; CAPTIONS.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. In exercising any rights here under or taking any actions provided for herein, Lender may act through its employees, agents or independent contractors as authorized by Lender. The captions and headings of the paragraphs of this Instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

20. **GOVERNING LAW; SEVERABILITY.** This Instrument shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision of this Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Instrument or the Note which can be given effect without the conflicting provisions, and to this end the provisions of this Instrument and the Note are declared to be severable.

21. **ASSIGNMENT OF RENTS.** Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the Rents and revenues and hereby directs each tenant of the Property to pay the Rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Mortgage, Borrower shall collect and receive all Rents and revenues as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

(a) Borrower has not executed any prior assignment of the rents except to the First Mortgagee, Lakeside Bank, and has not and will not perform any act that would prevent Lender from exercising its rights under this Paragraph.

(b) Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a default. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by this Mortgage is paid in full.

22. **ACCELERATION; REMEDIES.** Upon Borrower's breach of any covenant or agreement of Borrower in this instrument, including, but not limited to, the covenants to pay when due any sums secured by this Instrument, Lender at Lender's option may declare all of the sums secured by this Instrument to be immediately due and payable without further demand and may foreclose this Instrument by judicial proceeding and may invoke any other remedies permitted by



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applicable law or provided herein. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorney's fees, costs of documentary evidence, abstracts and title reports.

23. **RELEASE.** Upon payment of all sums secured by this Instrument, Lender shall release this Instrument. Borrower shall pay Lender's reasonable costs incurred in releasing this Instrument.

24. **ATTORNEY'S FEES.** As used in this instrument and in the Note, "attorney's fees" shall include attorney's fees, if any, which may be awarded by a court of competent jurisdiction.

25. **HAZARDOUS SUBSTANCES.** Borrower shall not cause or permit the presence, use, disposal, storage or release of any Hazardous Substances on or in the Property. Borrower shall not do, or allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use or storage on the Property of small quantity of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall immediately give Lender written notice of any investigation, claim, demand lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 25, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 25, "Environmental Law" means federal laws and laws of the jurisdiction where the property is located that relate to health, safety and environmental protection.

26. **AUTHORIZATION.** This mortgage has been duly authorized by the board of directors of the mortgagor.

27. **MORTGAGE SUBORDINATE.** This mortgage is subject and subordinate to the First Mortgage in favor of First Mortgagee Lakeside Bank.

In Witness Whereof, Borrower has executed this Instrument or has caused the same to be executed by its representatives thereunto duly authorized.

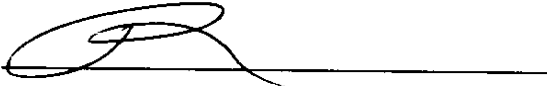
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Borrower

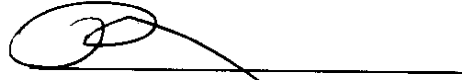
Borrower

308 Madison LLC

By:



Derrell McDavid, Manager



Derrell McDavid, Individually

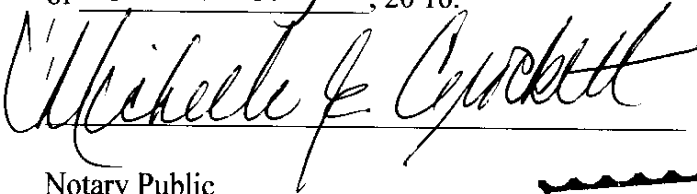
STATE OF ILLINOIS

COUNTY OF COOK ss:

I hereby certify that on this day, before me, Derrell McDavid, personally appeared, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he is the Manager and sole member of 308 Madison LLC an Illinois limited liability company and said instrument was executed on behalf of the company, that he acknowledged that he signed, sealed and delivered the instrument as his free and voluntary act, for the purpose expressed.

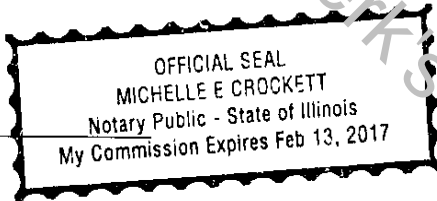
Subscribed and sworn before me this 15<sup>th</sup> day

of January, 2016.



Notary Public

My Commission Expires \_\_\_\_\_



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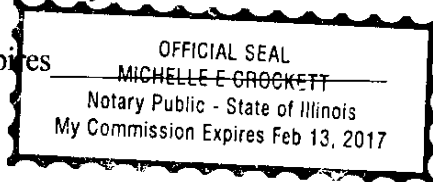
I, the undersigned, a Notary Public in and for said County, in the State aforesaid, CERTIFY THAT Derrell McDavid, individually, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed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

Given under my hand and notarial seal this 15<sup>th</sup> day of January, 2014

Michelle E. Crockett

Notary Public

My Commission Expires



This instrument was prepared by and mail to:

Roger A. Serpe  
Attorney at Law  
730 E. Suffield Drive  
Arlington Heights, Illinois 60004

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## EXHIBIT A

Lots 37, 38 and 39 in A. J. Knisely's Addition to Chicago, being a subdivision of all that part of the Northeast  $\frac{1}{4}$  of Section 17, Township 39 North, Range 13, East of the Third Principal Meridian, lying North of the South 108 acres of said Northeast  $\frac{1}{4}$  of said section 17, all in Cook County, Illinois.

Commonly known as <sup>-145</sup> 139 S. Austin Boulevard/ 5964-5974 W. Adams Street, Chicago, Illinois 60644

PIN: 16-17-200-021-0000

This instrument was prepared by and mail to:

Roger A. Serpe  
Attorney at Law  
730 E. Suffield Drive

Arlington Heights, Illinois 60004

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