

This document prepared by:

When recorded mail to:

Jonathan L. Mills  
Gottlieb and Schwartz  
111 East Wacker Drive  
Suite 2700  
Chicago, Illinois 60601

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Suite 2700  
Chicago, Illinois 60601

MORTGAGE

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Property Address: 1725 West North Avenue, Chicago, Illinois

Permanent Index Number: 17-06-203-010

THIS MORTGAGE ("Mortgage") is dated April 13, 1992 and is executed by HABERJASHER, INC., an Illinois corporation, 1725 West North Avenue, Chicago, Illinois 60622 ("Mortgagor") for the benefit of JAY R. SCHEPSON and MARILY F. BACON ("Mortgagees").

Mortgagor is the owner in fee simple of that certain real estate in Cook County, Illinois legally described as follows:

Units Nos. 102, 201 to 209 inclusive, 301 to 309 inclusive, 401 to 409 inclusive, and Parking Spaces P-1 through P-27 inclusive, in the 1725 West North Avenue Condominium as delineated on a survey of the following described real estate:

Lots 15, 16, 17, 18, 19, 20, and 21 in Block 2 in McReynold's Subdivision of part of the East 1/2 of the North East 1/4, North of Milwaukee Avenue, of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian,

which survey is attached as Exhibit "A" to the Declaration of Condominium recorded as document number 92-815332 together with its undivided percentage interest in the common elements, in Cook County, Illinois

(the "Property").

Mortgagor as of the date hereof has executed a certain Note in the Principal sum of \$457,293.96 (the "Note") payable to Mortgagees, the terms of which Note are incorporated herein by this reference.

To secure the indebtedness evidenced by the Note and in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by Mortgagor hereby, Mortgagor agrees as follows:

COOK COUNTY, ILLINOIS  
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1. **Mortgage of Property.** Mortgagor hereby mortgages and conveys unto Mortgagees Mortgagor's aforesaid interest in the Property.
2. **Waiver of Right of Redemption.** Mortgagor hereby waives all rights of redemption as provided in Article XII or XV of the Code of Civil Procedure of Illinois or otherwise available by statute or common law.
3. **Preservation of Property.** Mortgagor shall preserve and maintain the Property in good condition and repair and shall not permit, commit, or suffer any waste, impairment or deterioration thereof or of any part thereof and will not take any action which will increase the risk of fire or other hazard to the Property or to any part thereof.
4. **Damage and Condemnation.** Mortgagor shall give Mortgagee prompt notice of damage of or destruction to the Property and of receipt of notices or information relating to condemnation of part or all of the Property. Mortgagor hereby assigns all awards and payments received in respect thereof to Mortgagees, and shall hold all awards and payments received in respect thereof in trust for the benefit of Mortgagees and shall apply the same in reduction of the balance then due under the Note or in restoration of the Property, as Mortgagees shall direct.
5. **Insurance.** From and after the date hereof and until the release of this Mortgage, Mortgagor shall carry insurance, with companies reasonably satisfactory to Mortgagees, subject to the following terms:
  - A. The Property shall be insured at replacement cost in an amount not less than the principal amount of the Note;
  - B. Mortgagor shall carry personal liability insurance against death or injury suffered by tenants or other persons on, or other events occurring on, the Property, in commercially reasonable amounts;
  - C. Mortgagees shall be named as co-insured on all policies of insurance covering the Property; and
  - D. All such policies of insurance shall not be canceled without 15 days' prior written notice by the insurer to Mortgagee.

If Mortgagor fails to pay the premium for any such policy of insurance, Mortgagees may, but shall not be required to, pay the same.

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6. Payments by Mortgagees. Within 5 days after Mortgagees give Mortgagor notice that Mortgagees have paid any money or incurred any obligation which payment or obligation was required to be paid or undertaken by Mortgagees under the terms hereof, including, but not limited to, payment of premiums on policies of insurance required to be carried by Mortgagor pursuant to the terms hereof, Mortgagor shall reimburse Mortgagees for such payment and shall undertake such obligation and shall cause Mortgagees to be released from liability for such obligation.

7. Default. Occurrence of any of the following events shall be an Event of Default hereunder:

- A. The occurrence of an Event of Default under the Note.
- B. The creation or existence of any lien or interest in the Property or an interest therein which is adverse to the interests of Mortgagees or to the lien of this Mortgage (excepting, however, any lien or interest to which this Mortgage is expressly subordinated).
- C. The failure of Mortgagor promptly to pay when due any tax or charge which, if paid late, may become a lien on the Property, or promptly to pay, when due, any premium for insurance required hereunder.
- D. An act of bankruptcy by Mortgagor (or by any guarantor of Mortgagor's obligations hereunder) including, without limiting the generality of the foregoing, the filing of a petition in bankruptcy under any applicable federal bankruptcy law; the failure to cause an involuntary petition in bankruptcy to be dismissed within 30 days from the date such petition is filed; an assignment for the benefit of creditors; or a declaration of insolvency.
- E. The failure of Mortgagor to give Mortgagees notice of damage to the Property, or of receipt of notice relating to condemnation of the Property, within 14 days of such damage or receipt.
- F. The failure of Mortgagor to furnish Mortgagees, not later than 15 days before each anniversary of the date hereof, with certificates of insurance satisfactory to establish that Mortgagor will not, on and after such anniversary and for one year thereafter, be in default under Paragraph 5 hereof.
- G. The failure of Mortgagor to observe or perform any covenant or obligation arising in this Mortgage.

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- H. The occurrence of a delinquency or an event of default under the First Note or First Mortgage as defined in Paragraph 9 hereof.
- I. The occurrence of a delinquency or an event of default under the Second Note or Second Mortgage as defined in Paragraph 9 hereof.

8. **Mortgagees' Rights on Default.** Occurrence of an Event of Default shall allow Mortgagees to re-enter the Property, to declare the principal balance due under the Note secured hereby at once due and payable, and to all other rights and privileges provided by law, and Mortgagees shall be entitled to recover from Mortgagor all attorneys' fees and costs and expenses incurred by Mortgagees in the exercise of Mortgagees' rights hereunder. If Mortgagor is delinquent or in default of the First or Second Note or First or Second Mortgage as defined in Paragraph 9 hereof, Mortgagees may, but shall not be obligated to, cure such delinquencies or defaults, and Mortgagees shall be entitled to recover from Mortgagor the amounts so paid and the attorney's fees and costs incurred in connection therewith. Exercise of any one right shall not preclude Mortgagees from exercising any other right. Waiver of any obligation of Mortgagor or of any right arising upon occurrence of an Event of Default shall not preclude Mortgagees from enforcing such obligation or exercising such right thereafter, and shall not be nor be deemed to be a waiver of any other obligation of Mortgagor or of any right arising from another Event of Default.

9. **Subordination.**

A. This Mortgage is subordinate to the Mortgage dated June 26, 1989 and recorded June 27, 1989 by the Cook County Recorder of Deeds as document no. 89-292397 (the "Canada Life Mortgage"), executed by Boulevard Bank National Association, not individually but as trustee under a trust agreement dated June 2, 1987 and known as Trust No. 8550, as mortgagor, on behalf of The Canada Life Assurance Company, as mortgagee to secure a note in the principal amount of \$1,900,000.00 (the "Canada Life Note"). Mortgagor shall have the right from time to time to execute notes and secure the obligations evidenced by such notes by mortgages and other security agreements granting interests in the Property provided that the obligations secured by the Canada Life Mortgage and all such other mortgages does not exceed \$1,900,000.00. The Canada Life Note and all other notes permitted to be executed pursuant to this Paragraph 9.A are collectively referred to herein as the "First Note" and the Canada Life Mortgage and all other mortgages permitted to be executed pursuant to this Paragraph 9.A are collectively referred to as the "First Mortgage."

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B. Mortgagor shall have the right from time to time to execute notes and to secure the obligations evidenced by such notes by mortgages and other security agreements granting interests in the Property, provided that:

1. The amount of such obligations does not, in the aggregate, exceed \$1,000,000.00, and

2. The proceeds thereof are used in connection with the construction of improvements on the Property.

"Second Mortgage" as used herein means the holders of the notes evidencing such obligations, "Second Mortgage" as used herein means the mortgage or mortgages securing such obligations, and "Second Note" means the notes evidencing such obligations.

C. The terms and provisions of the First Note and First Mortgage are Second Note and Second Mortgage are incorporated herein by this reference. Mortgagor and Mortgagees agree to execute such documents as the First Mortgagee may reasonably request to subordinate this Mortgage to the lien of the First Mortgage. Mortgagor and Mortgagees agree to execute such documents as the Second Mortgagee may reasonably request to subordinate this Mortgage to the lien of such Second Mortgage.

D. The provisions of this Mortgage to the contrary notwithstanding, Mortgagees covenant and agree that:

1. Mortgagees shall not declare Mortgagor to be in default under this Mortgage without first giving the First Mortgagee and Second Mortgagee not less than 30 days prior written notice thereof;

2. Mortgagees, having declared Mortgagor in default of this Mortgage, shall not foreclose this Mortgage or take any other action to enforce Mortgagees' rights and remedies hereunder until:

a. The First Mortgagee declares Mortgagor to be in default of the First Mortgage (or otherwise commences to foreclose the First Mortgage or to take other actions to enforce its rights and remedies thereunder or under the First Note or other documents and agreements securing the First Note), or

b. The Second Mortgagee declares Mortgagor to be in default of the Second Mortgage (or otherwise commences to foreclose the Second Mortgage or to take other actions to enforce its rights and remedies thereunder or under the Second or other documents and agreements securing the Second Note), or



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c. The third anniversary of the date of this Mortgage,

whichever first occurs.

3. Mortgagees shall not require Mortgagor to do any act required hereunder or refrain from taking any act prohibited hereunder if to do such act or to refrain from taking such act will cause Mortgagor to be in default of the First Mortgage or the Second Mortgage.

10. Notices. All notices, requests, demands, or other instruments required or contemplated to be given or delivered hereunder shall be in writing and delivered either personally, or by Federal Express or comparable delivery service, or by United States mail (postage prepaid, registered or certified, with return receipt requested). Notices to Mortgagor shall be addressed to:

Haberdasher, Inc.  
Attn: President  
1725 West North Avenue  
Chicago, Illinois 60622

Notices to Mortgagees shall be addressed to:

Jay R. Scanlon  
Marily F. Bacon  
2156 West Concord Place  
Chicago, Illinois 60647

A notice sent by mail is given on the date deposited with the United States mail for delivery. Any party may change the address to which any such notice, request, demand or other instrument is to be delivered by furnishing written notice of such change to the other party, but no such notice of change shall be effective unless and until actually received.

11. Release of Mortgage. When the Note has been paid in full and all other obligations of Mortgagor have been discharged, then Mortgagees shall execute and deliver to Mortgagor release deeds or other documents requested by Mortgagor for the purpose of releasing this Mortgage. All such documents shall be prepared by Mortgagor and shall be subject to Mortgagees' reasonable approval. All costs in connection with such documents, including, but not limiting the generality of the foregoing, the cost of recording a release deed, shall be paid by Mortgagor.

12. Miscellaneous. This Mortgage shall be construed and enforced in accordance with the laws of the State of Illinois. The invalidity or unenforceability of any provision hereof shall not modify or impair the validity and enforceability of all other

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provisions hereof. Use of paragraph headings and of singular and plural, masculine, feminine and neuter nouns and pronouns is made for convenience only and shall be liberally construed. This Mortgage shall be binding upon and inure to the benefit of the representatives, heirs, executors, successors, and assigns of the parties hereto.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage in Chicago, Illinois on or as of the date first above written.

Haberdasher, Inc., an Illinois corporation

By: Mary L. Thompson  
Mary L. Thompson, President

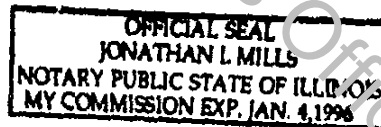
STATE OF ILLINOIS )  
COUNTY OF COOK ) SS

### ACKNOWLEDGMENT

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Mary L. Thompson, President of Haberdasher, Inc., an Illinois corporation, 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, as such President, she signed and delivered the said instrument as her free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal this 30th day of October, 1992.

Jonathan L. Mills  
Notary Public  
My commission expires: \_\_\_\_\_



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