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MORTGAGE

THIS MORTGAGE ("Mortgage") is made the 28th day of October, 1994 by RICHARD BUTLER, 548 West Belden, Chicago, Illinois 60614 ("Mortgagor").

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

LOT TWO (2) IN THE SUBDIVISION OF LOT SEVEN (7) IN ACKERMAN'S SUBDIVISION OF LOT SEVEN (7) IN BLOCK FIVE (5) IN THE CANAL TRUSTEES SUBDIVISION OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN.

commonly known as 548 West Belden, Chicago, Illinois 60614, permanent real estate tax index number 14-33-104-028 (the "Property").

Mortgagor as of the date hereof has executed a certain Note in the principal sum of TWENTY-TWO THOUSAND DOLLARS (\$22,000.00) (the "Note") payable to SHARON K. CLARK, 4844 Triwood, Milford, Michigan 48382 ("Mortgagee"), 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 Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by Mortgagor hereby, Mortgagor agrees as follows:

I. Mortgage of Property. Mortgagor hereby mortgages, warrants and conveys unto Mortgagee, the Mortgagor's aforesaid right, title and interest in the Property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, water courses 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.

II. 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. The Mortgagor shall not demolish or remove any improvements from the Property without the prior written consent of the Mortgagee. As a condition to the removal of any improvements, the Mortgagee may require the Mortgagor to make arrangements satisfactory to the Mortgagee to replace such improvements with improvements of at least equal value. Mortgagor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities

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applicable to the use or occupancy of the Property. The Mortgagor may contest in good faith any such law, ordinance, and regulation, now or hereafter in effect, and withhold compliance during any proceeding, including appeals, so long as the Mortgagor gives the Mortgagee written notice of such contest and furnishes reserves or a surety bond to protect the Mortgagee interest therein. The Mortgagor agrees to neither abandon nor leave the Property unattended. The Mortgagor shall also notify the Mortgagee, in writing and at least fifteen (15) days in advance, of any construction done to the Property and the Mortgagee may request assurances that such work and or materials will be paid for in full by the Mortgagor.

III. 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 (or purchase in lieu of condemnation) of part or all of the Property. Mortgagee shall have the right to participate in any condemnation proceeding and to be represented in such proceeding by legal counsel of its own choice and the Mortgagor will deliver or cause to be delivered to Mortgagee such instruments as may be requested by it from time to time to permit such participation. The Mortgagee may make proof of loss if the Mortgagor fails to do so within fifteen (15) days of any damage or destruction. Unless notified, in writing, to the contrary by the Mortgagee, the Mortgagor hereby assigns all net proceeds of such awards and payments received in respect thereof to Mortgagee, and shall hold all awards and payments received in respect thereof in trust for the benefit of Mortgagee. The Mortgagee regardless of whether the Mortgagee's security is impaired, may, at its option, apply the net proceeds to the reduction of the balance then due under the Note, pay any lien affecting the Property or restore and repair the Property. The net proceeds of the awards and payments shall mean the awards and payments after payment of all reasonable costs, expenses, and attorney's fees of Mortgagee in connection with the condemnation. In the event of the damage or destruction of the Property the Mortgagee shall, upon satisfactory proof of such expenditure, pay or reimburse the Mortgagor from the net proceeds for the reasonable cost of repair or restoration if the Mortgagor is not then in default. Any proceeds which have not been disbursed within 180 days after receipt and which the Mortgagee has not committed to the repair or restoration of the property shall be used first to pay any amount owing to the Mortgagee under this Mortgage, then to prepay any accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If the Mortgagee holds any net proceeds after payment in full of the indebtedness, such proceeds shall be paid to the Mortgagor.

IV. Taxes. The Mortgagor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, water charges and sewer charges levied against or on account of the

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Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. The Mortgagor may contest in good faith any such tax, assessment, water charge, sewer charge, claim for work done or for services rendered or material furnished so long as the Mortgagor gives the Mortgagee written notice of such contest and furnishes reserves or a surety bond to protect the Mortgagee interest therein. The Mortgagor shall provide the Mortgagee with proof of payment of all taxes and assessments, and if requested to do so by the Mortgagee, proof of payment of any water charge, sewer charge, claim for work done or for services rendered or material furnished.

V. Insurance. From and after the date hereof and until the release of this Mortgage, Mortgagor shall carry fire insurance with standard extended coverage endorsements and covering all improvements on the Property, with companies reasonably satisfactory to Mortgagee, subject to the following terms:

- A. The Property shall be insured at replacement cost;
- 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. Mortgagee shall be named as co-insured on all policies of insurance covering the Property; and
- D. All such policies of insurance shall not be cancelled or diminished without a minimum fifteen (15) days' prior written notice by the insurer to Mortgagee.

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

VI. Payments by Mortgagee. Within five (5) days after Mortgagee gives Mortgagor notice that Mortgagee has paid any money or incurred any obligation which payment or obligation was required to be paid or undertaken by Mortgagor under the terms hereof or if any action or proceeding is commenced that would materially affect the Mortgagee's interests in the Property, 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 Mortgagee for such payment and shall undertake such obligation and shall cause Mortgagee to be released from liability for such obligation. All such expenses paid, at the 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 installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and

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payable at the Note's maturity. This Mortgage also will secure payment of these expenses. The rights provided for in this paragraph shall be in addition to any other rights or remedies to which the Mortgagee may be entitled on account of the default. Any such action by the Mortgagee shall not be construed as curing the default so as to bar the Mortgagee from any remedy that it otherwise would have had.

VII. Default. Occurrence of any of the following events shall, at the option of the Mortgagee, be an Event of Default hereunder:

- A. The occurrence of an Event of Default under the Note the terms of which are incorporated herein by this reference or failure of the Mortgagor to make any payment when due under this Mortgage;
- B. A conveyance, pledge, assignment, or other transfer for any purpose (including, without limiting the generality of the foregoing, for the purpose of sale, gift, or collateral) of an interest in the Property (including, without limiting the generality of the foregoing: a conveyance of title to the Property or an interest therein to a land trustee; an assignment of part or all of the beneficial interest in a land trust holding title to the Property or an interest therein; an installment agreement for deed or for an assignment of beneficial interest of the Property or an interest therein or of part or all of the beneficial interest in a land trust holding title to the Property or an interest therein; a lease of the Property or an interest therein for a term greater than three (3) years) without Mortgagee's prior written consent;
- C. The creation or existence of any lien or interest in the Property or an interest therein which is adverse to the interests of Mortgagee or to the lien of this Mortgage (excepting, however, any lien or interest to which this Mortgage is expressly subordinated);
- D. The failure of Mortgagor to pay within the time required by this Mortgage any tax or charge including any charge or expense necessary to prevent filing of or to effect discharge of any lien or promptly to pay, when due, any premium for insurance required hereunder;
- E. An act of bankruptcy by Mortgagor 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 thirty (30) days from the date such petition is filed; an assignment

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for the benefit of creditors; or a declaration of insolvency; the appointment of a receiver for any part of the Mortgagor's property; the filing of a petition under any applicable insolvency laws; and except to the extent prohibited by federal law or Illinois law, the death of the Mortgagor;

- F. The failure of Mortgagor to give Mortgagee notice of damage to the Property, or of receipt of notice relating to condemnation of the Property, within fifteen (15) days of such damage or receipt;
- G. The failure of Mortgagor to furnish Mortgagee, not later than fifteen (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 V hereof;
- H. The failure of Mortgagor to observe or perform any other term, covenant, obligation or condition contained in this Mortgage, the Note or in any of the related documents;
- I. The making or furnishing of any warranty, representation or statement by the Maker or on the Maker's behalf under this Mortgage, the Note or related documents which is false or misleading in any material respect.
- J. Commencement of foreclosure, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of the Mortgagor against the property. However, this paragraph shall not apply in the event of a good faith dispute by the Mortgagor as to the validity or reasonableness of the claim which is the basis of the foreclosure, provided that the Mortgagor gives the Mortgagee written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to the Mortgagee.

VIII. Mortgagee's Rights on Default. Occurrence of an Event of Default shall, at the option of the Mortgagee, allow Mortgagee 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 including but not limited to the collection of any rents (past due and unpaid as well and for purposes of the collection of any such rent payments the Mortgagor irrevocably designates the Mortgagee as the Mortgagor's attorney-in-fact to endorse instruments received in payment thereof), and Mortgagee shall be entitled to recover from Mortgagor all attorneys' fees and costs and expenses incurred by Mortgagee in the exercise of Mortgagee's rights hereunder. If Mortgagor is

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delinquent or in default of the Note, Mortgagee may, but shall not be obligated to, cure such delinquencies or defaults, and Mortgagee 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 Mortgagee 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 Mortgagee 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. With respect to any personal property secured by this Mortgage, the Mortgagee shall have all rights and remedies of a secured party under the Uniform Commercial Code.

IX. 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; first class or, at the option of the sender, registered or certified, with or without return receipt requested). Notices to Mortgagor shall be addressed to: **RICHARD BUTLER**, 548 West Belden, Chicago, Illinois 60614. Notices to Mortgagee shall be addressed to: **SHARON K. CLARK**, 4844 Triwood, Milford, Michigan 48382. A notice sent by mail shall be deemed given on the day deposited with the United States mail for delivery and shall be deemed received three (3) days (Sundays and days on which there is no regular United States mail delivery excepted) after 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.

X. Release of Mortgage. When the Note has been paid in full and all other obligations of Mortgagor have been discharged, then Mortgagee 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 Mortgagee's 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.

XI. Miscellaneous. The Mortgagor agrees that if there is a lawsuit and the Mortgagee so requests, in writing, that the Mortgagor will submit to the jurisdiction of the courts of Cook County, State of Illinois. This Note shall be governed by and construed in accordance with the internal 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 provisions hereof. Use of paragraph headings and of

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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. The Mortgagor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Illinois as to all indebtedness secured by this Mortgage. Time is of the essence in the performance of this Mortgage. The Mortgagee and the Mortgagor each agree to execute any additional documentation necessary to carry out the effect to this Mortgage.

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

PRIOR TO THE SIGNING THIS MORTGAGE, THE MORTGAGOR HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THIS MORTGAGE. THE MORTGAGOR AGREES TO THE TERMS OF THE MORTGAGE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE MORTGAGE.


RICHARD BUTLER

DEPT-11 \$35.50
740013 TRAN 0425 10/31/99 10:32:00
#7524 # AF *-94-927306
COOK COUNTY RECORDER

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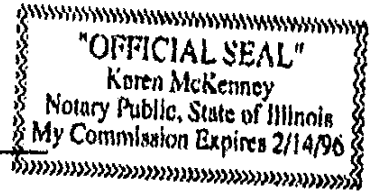
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DOES HEREBY CERTIFY that RICHARD BUTLER, is 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 said instrument as his free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this 28th day of October, 1994.

Karen McKenney

Notary Public

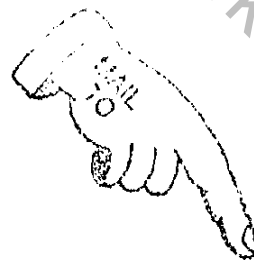


This Instrument was prepared by EDWIN JOSEPHSON / CHUHAK & TECSON,
P.C., 225 WEST WASHINGTON STREET, CHICAGO, ILLINOIS 60606.

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Return to

CHUHAK & TECSON, P.C.
225 W. WASHINGTON, SUITE 1500
CHICAGO, IL 60606
312-444-9300

Attention: Jeri Wenig

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