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Cook County Recorder 31.00



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CITIBANK

JUNIOR MORTGAGE

THIS INSTRUMENT WAS PREPARED BY:
Hauselman & Rappin, Ltd.
39 South LaSalle Street, Suite 1105
Chicago, IL 60603
Return to Box 201

THIS MORTGAGE is made this 27th day of June, 2001 among, **Gary W. Tarazi and Joanne H. Tarazi**, ("Mortgagor") and Citibank, Federal Savings Bank, a savings association organized and existing under the laws of the United States, having a business address at 500 W. Madison Street, Chicago, IL 60661 (the "Mortgagee").

THIS CONVEYANCE of certain real property is made to secure the obligation indicated below and evidenced by one or more of the following indicated contracts:

- (X) A Business Line of Credit Agreement dated September 25, 1997, for a principal sum not to exceed \$2,000,000.00 executed by International Test & Balance, Inc., an Illinois Corporation ("Borrower") and requiring repayment of one or more extensions of credit ("Business Line of Credit");
- (X) A Periodic Payment Business Loan Agreement dated September 11, 1998, in the principal sum of \$500,000.00 executed by Borrower and payable to the order of Mortgagee (Periodic Payment Note);
- (X) A Continuing Guaranty dated September 25, 1997, executed by Gary Tarazi and Joanne Tarazi in favor of Mortgagee, which guaranty secures, in part, the obligations of Borrower to Mortgagee under the Business Line of Credit and Periodic Payment Note. The liability of the Mortgagor under the Guaranty is 100% of the total amount of the Borrower's indebtedness due and owing the Mortgagee pursuant to the Business Line of Credit and Periodic Payment Note.
- (X) A Forbearance Agreement of even date by and between Citibank, F.S.B., Borrower, Gary Tarazi, Joanne Tarazi, Waleed Tarazi, and Deborah Tarazi ("Forbearance Agreement")

including performance of any and all renewals, modifications or extensions of any of the above contracts which Mortgagee elects to make, in its sole discretion, or of any contract taken in substitution or exchange for any of them. This Mortgage shall also secure: (a) performance of all agreements of Mortgagor in this Mortgage; (b) performance of all agreements of Mortgagor to pay fees and charges to Mortgagee, whether or not set out in this Mortgage; and (c) payment of all other indebtedness or performance of all other obligations of any kind to Mortgagee by Mortgagor to Mortgagee it being understood and agreed that this Mortgage shall stand for any and all such obligations whether or not similar or related to the contract indicated above but shall exceed the sum of THREE HUNDRED THOUSAND AND NO/100 DOLLARS; which property has the address of 2638 Independence, Glenview, Illinois ("Property Address") and is legally described as follows:

Box 201

PARCEL 1: LOT 611 IN GLENBASE SUBDIVISION UNIT 1, BEING A SUBDIVISION OF LOTS 27 AND 28 (AND PART OF LOT 24) IN GLENVIEW NAVAL AIR STATION SUBDIVISION NO. 2, BEING A SUBDIVISION OF PART OF SECTIONS 15, 21, 23, 26, 27, 28, AND 34, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2: NON-EXCLUSIVE EASEMENTS FOR THE BENEFIT OF PARCEL 1 FOR INGRESS, EGRESS, USE AND ENJOYMENT OVER AND UPON THE COMMON PROPERTY AS DEFINED, DESCRIBED AND DECLARED IN DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR SOUTHGATE ON THE GLEN SINGLE FAMILY HOMES RECORDED AS DOCUMENT NUMBER 00206851.

Permanent Index Number: 04-27-303-001-0000

WITH all of the improvements now or later erected on the property, and all easements, rights, appurtenances and rents all of which shall be deemed to be and remain a party of the Property covered by this Mortgage; and all of the foregoing, with said Property (or the leasehold estate if this Mortgage is on a leasehold) are referred to as the "Property."

Mortgagor covenants that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and that the Property is unencumbered, except for encumbrances of record constituting a lien which has priority over this Mortgage. Mortgagor covenants that Mortgagor warrants and will defend generally the title of the Property against all claims and demands, subject to encumbrances of record.

COVENANTS. Mortgagor and Mortgagee covenant and agree as follows:

1. **Payment of Principal and Interest.** Mortgagor shall promptly pay when due all sums due and owing under the Guaranty.

2. **Funds for Taxes and Insurance.** If requested to do so by Mortgagee, Mortgagor shall pay to Mortgagee on the day monthly payments are due under the Note, until the note is paid in full, a sum ("**Funds**") for: (a) yearly taxes and assessments which may attain priority over this Mortgage as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Mortgagor to Mortgagee, in accordance with the provisions of paragraph 7 in lieu of the payment of mortgage insurance premiums. These items are called "**Escrow Items**." Mortgagee may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a Mortgagee for a federally related mortgage loan may require for Mortgagor's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. 2601 et seq. ("**RESPA**"), unless another law that applies to the Funds sets a lesser amount. If so, Mortgagee may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Mortgagee may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law. The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Mortgagee, if Mortgagee is such an institution) or in any Federal Home Loan Bank. Mortgagee shall apply the Funds to pay the Escrow Items. Mortgagee may not charge Mortgagor for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Mortgagee pays Mortgagor interest on the Funds and applicable law permits Mortgagee to make such a charge. However, Mortgagee may require Mortgagor to pay a one-time charge for an independent real estate tax reporting service used by Mortgagee in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Mortgagee shall not be required to pay Mortgagor any interest or earnings on the Funds. Mortgagor and Mortgagee may agree in writing, however, that interest shall be paid on the Funds. Mortgagee shall give Mortgagor, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Mortgage. If the Funds held by Mortgagee exceed the amounts permitted to be held by applicable law, Mortgagee shall account to Mortgagor for the excess Funds in accordance with those requirements. If the amount of the Funds held by Mortgagee at any time is not sufficient to pay the Escrow Items when due, Mortgagee may so notify Mortgagor in writing, and, in such case Mortgagor shall pay to Mortgagee the amount necessary to make up the deficiency. Mortgagor shall make up the deficiency in no more than twelve monthly payments, at Mortgagee's sole discretion. Upon payment in full of all sums secured by this Mortgage, Mortgagee shall promptly refund to Mortgagor any Funds held by Mortgagee. If Mortgagee shall acquire or sell the Property, Mortgagee, prior to the acquisition or sale of the Property, shall apply any Funds held by Mortgagee at the time of acquisition or sale as a credit against the sums secured by this Mortgage.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Mortgagee shall be applied by Mortgagee first to interest payable, and then to principal.

4. **Prior Mortgages and Deeds of Trust; Charges; Liens.** Mortgagor shall perform all of Mortgagor's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Mortgagor's covenants to make payments when due. Mortgagor shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

5. **Hazard Insurance.** Mortgagor shall keep the improvements now existing or later erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Mortgagee may require and in such amounts and for such periods as Mortgagee may require. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to approval by Mortgagee; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals shall be in a form acceptable to Mortgagee and shall include a standard mortgage clause in favor of and in a form acceptable to Mortgagee. Mortgagee shall have the right to hold the policies and renewals, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage. In the event of loss, Mortgagor shall give prompt notice to the insurance carrier and Mortgagee, Mortgagee may make proof of loss if not made promptly by Mortgagor. If the Property is abandoned by Mortgagor, or if Mortgagor fails to respond to Mortgagee within 30 days from the date notice is mailed by Mortgagee to Mortgagor that the insurance carrier offers to settle a claim for insurance benefits, Mortgagee is authorized to collect and apply the insurance proceeds, at Mortgagee's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

6. **Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Mortgagor shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Mortgagor shall perform all obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

7. **Protection of Mortgagee's Security.** If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Mortgagee's interest in the Property, then Mortgagee, at Mortgagee's option, upon notice to Mortgagor (except in the case of an emergency or if required to immediately protect or preserve the property, in which case no advance notice is required), may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Mortgagee's interest. If Mortgagee required mortgage insurance as a condition of making the loan evidenced by the Note, Mortgagor shall pay the premiums required to maintain insurance in effect until a time when the requirement for insurance terminates in accordance with Borrower's and Mortgagee's written agreement or applicable law. Any amounts disbursed by Mortgagee with interest thereon, at the rate in Borrower's note, shall become additional indebtedness of Mortgagor secured by this Mortgage. Unless Mortgagor and Mortgagee agree to other terms of payment, all amounts shall be payable upon notice from Mortgagee to Mortgagor requesting payment. Nothing contained in this paragraph shall require Mortgagee to incur any expense or to take any action.

8. **Inspection.** Mortgagee may make, or cause to be made, reasonable entries upon, and inspections of, the Property, provided that Mortgagee shall give Mortgagor notice prior to any inspection specifying a reasonable cause related to Mortgagee's interest in the Property.

9. **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 any part, or for conveyance in lieu of condemnation, are assigned and shall be paid to Mortgagee, subject to the terms of any mortgage, or other security agreement with a lien which has priority over this Mortgage.

10. **Mortgagor Not Released; Forbearance By Mortgagee Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Mortgagee to any successor in interest of Mortgagor shall not operate to release, in any manner, the liability of the original Mortgagor and Mortgagor's successors in interest. Mortgagee shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Mortgagor and Mortgagor's successors in interest. Any forbearance by Mortgagee in exercising any right or remedy, or otherwise afforded by applicable law, shall not be waiver of or preclude the exercise of any right or remedy.

11. **Successors and Assigns Bound; Joint and Several Liability; Cosigners.** These covenants and agreements shall bind, and all rights shall inure to, the respective successors and assigns of Mortgagee and Mortgagor. All covenants and agreements of Mortgagor shall be joint and several. Any Mortgagor who cosigns this Mortgage, but does not execute the Note or any contract secured, (a) is cosigning this Mortgage only to mortgage, grant and convey that Mortgagor's interest in the Property to Mortgagee under the terms of this Mortgage, (b) is not personally liable under this Mortgage, and (c) agrees that Mortgagee and any other Mortgagor may agree to extend, modify, forbear, or make any other accommodations with regard to

the terms of this Mortgage, any secured contract, or the Note without that Mortgagor's consent and without releasing that Mortgagor or modifying this Mortgage as to that Mortgagor's interest in the Property.

12. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Mortgagor provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to Mortgagor at the Property Address or at such other address as Mortgagor may designate by notice to Mortgagee, and (b) any notice to Mortgagee shall be given by certified mail to Mortgagee's address or to such other address as Mortgagee may designate by notice to Mortgagor. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given in the manner designated.

13. **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, any secured contract, or the Note conflicts with applicable law, the conflict shall not affect other provisions of this Mortgage, any secured contract, or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage any secured contract and the Note are declared to be severable. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited by this Mortgage.

14. **Mortgagor's Copy.** Mortgagor shall be furnished a conformed copy of the contract indicated above, the Note and this Mortgage at the time of execution or after its recordation.

15. **Loan Agreement.** If Mortgagor is the Borrower, Mortgagor shall fulfill all Borrower's obligations under any loan agreement which Mortgagor, as Borrower, enters into with Mortgagee.

16. **Transfer of the Property or a Beneficial Interest in Mortgagor.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Mortgagor is sold or transferred and Mortgagor is not a natural person) without Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Mortgagee if exercise is prohibited by federal laws. If Mortgagee exercises this option, Mortgagee shall give Mortgagor notice of acceleration. The notice shall provide a period of not less than seven (7) days from the date the notice is delivered or mailed within which Mortgagor must pay all sums secured by this Mortgage. If Mortgagor fails to pay these sums prior to the expiration of this period, Mortgagee may invoke any remedies permitted by this Mortgage without further notice or demand on Mortgagor.

17. **Remedies.** Except as provided above, upon Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage or upon the Mortgagor's failure to pay all sums due and owing under the Guaranty Mortgagee, shall give notice to Mortgagor as provided above specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than seven (7) days from the date the notice is mailed to Mortgagor, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Mortgagor to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Mortgagee, at Mortgagee's option, and may foreclose this Mortgage by judicial proceeding. Mortgagee shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees and costs of documentary evidence, abstracts and title reports.

18. **Mortgagor's Right to Reinstate.** Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage due to Mortgagor's breach, Mortgagor shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Mortgagor pays Mortgagee all sums which would be then due under the Guaranty on this Mortgage; (b) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor contained in this Mortgage; (c) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this Mortgage, and in enforcing Mortgagee's remedies as provided above, including, but not limited to, reasonable attorneys' fees; and (d) Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor, this Mortgage and the obligations secured shall remain in full force and effect.

19. **Assignment of Rents; Appointment of Receiver.** As additional security, Mortgagor assigns to Mortgagee any and all rents of the Property, provided that Mortgagor shall, prior to acceleration or abandonment of the Property, have the right to collect and retain rents as they become due and payable. Upon a breach of the Mortgagor's obligations under the Guaranty on this Mortgage or abandonment of the Property by Mortgagor, Mortgagee shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected by the receiver shall be applied first to payment of the costs of management of the Property and collection of

rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

20. **Release.** Upon payment of all obligations evidenced by the contracts described herein secured by this Mortgage, Mortgagee shall release this Mortgage without charge to Mortgagor. Mortgagor shall pay all costs of recordation, if any.

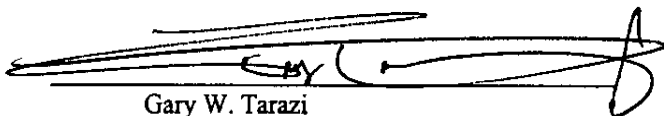
21. **Waiver of Homestead.** Mortgagor waives all rights of homestead exemption in the Property.

22. **Prior Indebtedness.** Mortgagor represents and warrants that it is the lawful owner in fee simple of the Property free and clear of all liens and encumbrances whatsoever except those "Superior Liens" appearing of record prior to the date that this Mortgage is recorded which have been approved by Mortgagee and that it has full right, power and authority to convey and mortgage the Property and to execute this Mortgage. Notwithstanding anything to the contrary in this Mortgage, if the superior liens include a prior deed of trust and/or mortgage (the "Prior Deed of Trust") securing indebtedness and obligations (the "Prior indebtedness"), then: (a) Mortgagor shall make all payments of principal and interest on the Prior Indebtedness as they become due; (b) without the prior written consent of Mortgagee, Mortgagor shall not request or consent or agree to any increase in the amount of the Prior indebtedness, any extension of time for its payment, any reduction in any payment required, or any postponement, modification or indulgence, and shall not sign a renewal note or notes for it.

23. **Default of Prior Indebtedness.** Should there occur any default in any payment or performance of any document evidencing the Prior Indebtedness: (a) Mortgagee, without notice to or demand upon Mortgagor, and without releasing Mortgagor from any obligation, may pay or perform the Prior Indebtedness in the manner and to the extent that it may deem necessary, and may enter upon the Property for that purpose; (b) Mortgagee, at any time and from time to time, may prepay the Prior Indebtedness in whole or in part with all premiums, penalties or other payments required in connection with any prepayment; (c) Mortgagee shall be entitled, without any grace period, to immediately exercise its rights and remedies for an event of default; and (d) the Mortgagee's exercise of any right or remedy to cure a default by Mortgagor shall not cure nor waive any default of the Mortgage occasioned by the default of the Mortgagor.

24. **Purchase of Insurance by Mortgagee.** Unless Mortgagor provides Mortgagee with evidence of the insurance coverage required by any agreement, Mortgagee may purchase insurance, at Mortgagor's expense, to protect its interests in the collateral. This insurance may, but need not, protect Mortgagor's interests. The coverage that Mortgagee purchases may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the collateral. Mortgagor may later cancel any insurance purchase by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained insurance as required by any agreement. If Mortgagee purchases insurance for the collateral, Mortgagor will be responsible for the costs of that insurance, including interest and any other charges Mortgagee may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance Mortgagor may be able to obtain acting alone.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage.



Gary W. Tarazi



Joanne H. Tarazi

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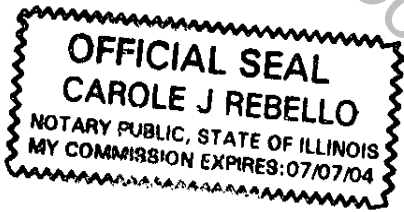
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, CAROLE REBELLO a Notary Public of the County and State aforesaid, do hereby certify that Gary W. Tarazi and Joanne H. Tarazi, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, personally appeared before me this day and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and deed, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 27th day of June, 2001.


Notary Public

My Commission expires: 7-7-04



Space Below This Line Reserved For Mortgagee and Recorder
