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Illinois Anti-Predatory  
Lending Database  
Program

Certificate of Exemption



0829505231

Doc#: 0829505231 Fee: \$90.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 10/21/2008 01:01 PM Pg: 1 of 10

STEWART TITLE OF ILLINOIS  
2 N. LaSalle Street  
Suite 625  
Chicago, IL 60602  
312-849-4243

The property identified as: PIN: 17-03-105-009-0000

Address:

Street: 1335 N Astor St

Street line 2: Unit 4A

City: Chicago

State: IL

ZIP Code: 60610

Lender: National City Mortgage

Borrower: William E Herzog

Loan / Mortgage Amount: \$261,000.00

This property is located within Cook County and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

574692  
STEWART TITLE OF ILLINOIS  
2 N. LaSalle Street  
Suite 625  
Chicago, IL 60602  
312-849-4243

Certificate number: 2CD82D02-0AB6-4C97-8EFD-EDCDB369E373

Execution date: 10/14/2008

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## LOAN SECURITY AGREEMENT (Cooperative Unit Loan)

**THIS SECURITY AGREEMENT**, made this 14<sup>th</sup> day of OCTOBER, 2008 between WILLIAM E. HERZOG (the "borrower") and NATIONAL CITY MORTGAGE, a division of National City Bank, an Ohio Corporation, with a mailing address of 3232 Newmark Drive, Miamisburg, OH 45342 (the "Secured Party").

In return for the Cooperative Unit Loan granted by the Secured Party to the Borrower and the mutual promises contained in this Security Agreement, it is represented, promised and agreed as follows:

### 1. REPRESENTATIONS OF THE BORROWER

The Borrower represents and promises as follows:

- (A) Borrower has purchased or is about to purchase shares of capital, a membership certificate stock, or other evidence of an ownership interest of that cooperative housing corporation know as: 1335 ASTOR COOPERATIVE BUILDING, INC (the "Corporation") and the proprietary lease, occupancy agreement, ownership contract or other such evidence of ownership appurtenant thereto and dated 7-1-51 and all supplements thereto together or anyone of which evidence the Borrower's ownership interest (the "Proprietary Documents") allocated to unit number 4A and parking space number(s) N/A (the "Unit") in the Corporation's building located at 1335 N. ASTOR ST, CHICAGO, IL 60610.
- (B) Borrower has executed a note (the "Note") to the Secured Party on the above date agreeing and promising to pay to the Secured Party the principal amount of TWO HUNDRED SIXTY ONE THOUSAND Dollars (\$261,000.00), together with increases to the principal, if any, and interest, pursuant to the terms of the Note.
- (C) The Note, this Security Agreement and the Proprietary Documents referred to in this Security Agreement as the "Agreements".

### 2. CREATION OF SECURITY INTEREST

The Borrower hereby grants to the Secured Party a continuing purchase money security interest in and to all right, title and interest of the Borrower in the "Collateral" (as defined below), to secure performance of each and every promise, covenant, obligation, liability and indebtedness of the Borrower under and in connection with the Agreements. This means that, among other things, the Secured Party may sell or transfer the Borrower's rights in the Collateral and apply the proceeds to satisfy the Borrower's obligations under the Note, if there is a Default (as defined below).

### 3. COLLATERAL

The collateral of and for this Security Agreement (the "Collateral") is and shall continue to consist of the following, together with all profits and proceeds thereof:

- (A) Cooperative Interest/Pledge Stock. The Borrower's cooperative interests in the Corporation evidenced or to be evidenced by certificate(s) for the shares of capital stock or membership certificate, as above-referenced (hereinafter referred to as the "Pledged Stock").
- (B) **Proprietary Documents.** The Proprietary Documents, occupancy agreement or ownership contract for the Unit appertaining to the Pledge Stock, together with all fixtures, articles of personal property and appurtenances now or hereafter attached to or used in connection with the Unit, and all condemnation and insurance awards thereunder.

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- (C) **Distribution.** Any distributions of capital with respect to the Pledged Stock and any securities issued as dividends on the Pledged Stock.
- (D) **Additions and Replacements.** All accessions or additions to, substitutions for or replacements of the Collateral.

## 4. PROMISES OF THE BORROWER

Borrower promises and agrees that:

- (A) **Performance.** Borrower shall perform each and every promise, covenant and obligation under the Agreement as and when such a performance is due.
- (B) **Additional Documents.** Borrower shall do or procure all acts, writings and assurances that the Secured Party may at any time reasonable request to protect or enforce its interest arising from the Agreements and will pay all taxes, charges and fees required to file or record any such writings or instruments.
- (C) **Full Payment Due Upon Default.** Borrower shall pay immediately to the Secured Party, without notice, the entire unpaid indebtedness, together with interest, and other charges, if any, which are secured hereby upon the occurrence of an event of Default under Section 5 hereof.
- (D) **Not Permit Default.** Borrower shall not permit the occurrence of any Event of Default (as defined in Section 5) while the Agreements remain in force and effect.
- (E) **Subsequent Shares; Redistributions.** If new shares or replacement, substitute or additional shares or redistribution of ownership interest are issued with respect to the Pledged Stock or Unit subject to the Proprietary Documents, then and in any such event the Borrower shall, without notice or demand from the Secured Party, immediately deliver the Certificates evidencing said shares or redistribution of ownership interest to the Secured Party, together with stock powers duly executed in blank covering the same, and said shares or ownership interest shall be held subject to all of the terms, covenants and conditions of this Agreement.

## 5. DEFAULTS

In the event one or more of the following events (referred to in this Security Agreement as "Events of Default") shall occur prior to full payment of the Note, then at the option of the Secured Party, the Note and the entire unpaid principal balance hereunder, together with interest and other charges, if any, secured by this Security Agreement, shall become immediately due and payable in full:

- (A) **Non-Payment Of Note.** Failure to make any payment required under the note within thirty (30) days after the date the payment becomes due; or
- (B) **Non-Compliance With Proprietary Documents.** A default in the payment of maintenance charges and/or any other charges or payments required to be made pursuant to the terms of the Proprietary Documents or a default in performance of and/or breach of any of the terms, covenants and conditions of the Proprietary Documents on the part of the Borrower, which default is not cured within the time and in the manner provided for in the Proprietary Documents, and if no time is so specified, within a reasonable time; or
- (C) **Termination Of Proprietary Documents.** A notice of termination or cancellation of the Proprietary Documents is given by the Corporation.
- (D) **Sublet Or Assignment Of Proprietary Documents.** The Borrower sublets for more than three (3) years, or offers to sublet for more than three (3) years, or assigns, or offers to assign the Proprietary Documents or the whole or any part of the Unit; or
- (E) **Sale, Transfer Or Grant Of Security Interest In Stock Or Proprietary Documents.** The Borrower sells, transfers, or assigns or grants a further security interest in the Pledged Stock or the Proprietary Documents; or

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- (F) **Modify Or Cancel Proprietary Documents.** The Borrower attempts, by giving notice or otherwise, to modify, surrender, cancel or exercise any right to terminate the Proprietary Documents; or
- (G) **Bankruptcy Or Insolvency.** The Borrower becomes insolvent (however such insolvency may be evidenced), commits an act of bankruptcy or makes a general assignment for the benefit of creditors; or any person attempts to enforce a judgment against Borrower or Borrower's property; or an insolvency proceeding under any bankruptcy or insolvency law is instituted against the Borrower and such proceeding is not dismissed or vacated within thirty (30) days after its commencement; or any governmental authority takes possession of or assumes control over any substantial part of the property of the Borrower; or any receiver is appointed of all of a substantial part of the property of the Borrower; or a writ or order of attachment or garnishment is issued or made against any property of the Borrower; or
- (H) **Non-Performance Under Security Agreement.** The Borrower fails to perform any promise, covenant, obligation or agreement hereunder; or
- (I) **Failure To Sign Additional Documents; Pay Fees.** The Borrower fails to execute and deliver any instrument required by the Secured Party to perfect and protect its security interest in Collateral or to pay any filing or recording fees owing in connection with the perfection of the security interest.
6. In the event of the occurrence of one or more of the Events of Default, and if the Secured Party elects to accelerate the Note and required the entire unpaid principal balance under Note, together with interest and other charges, if any, secured by this Security Agreement to be immediately due and payable in full, each of the following shall apply:
- (A) **Notice.** The Secured Party shall provide the Borrower with written notice in accordance with the terms of the Note registered or certified mail, return receipt requested, of the election to accelerate the Note, which notice shall also specify the amount being accelerated thereby, including all accrued interest thereon to the dates of such notice.
- (B) **Sale of Collateral.** If the Borrower shall fail to pay the accelerated indebtedness within five (5) days of receipt of said notice (the date of any refusal to accept such notices being deemed as the date of the receipt thereof), then, the Secured Party, in addition to any and all rights and remedies of a secured party under the Uniform Commercial Code then in effect, may, but shall not be obligated to, cause the Pledged Stock to be registered in the Secured Party's name and cause the Corporation to terminate the Proprietary Document and to issue a new Proprietary Documents to the Secured Party or its designee in accordance with the procedures prescribed in the By-Laws of the Corporation, and sell, assign, transfer and deliver the Collateral at public or private sale, for cash, upon credit, or for future delivery and at such price as the Secured Party may deem satisfactory. The sale may be with or without advertisement of the time, place or terms of sale, except that seven (7) days written notice, in manner above provided, shall be given to the Borrower of the time and place of sale, and if the sale be a private sale, the terms of sale shall also be included in such notice. The Secured Party shall not, however, be obligated to make any sale pursuant to any such notice. The Secured Party may, without notice or publication, adjourn the sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale may then be made any time and place to which it may be so adjourned.
- (C) **Sale On Credit Or For Future Delivery.** In the event of any sale on credit or for future delivery, the Collateral sold shall be retained by the Secured Party until the sales price is paid full. The Secured Party shall incur no liability by reason of the purchaser's failure to perform and in the event of any such non-performance; the Collateral may be sold again.
- (D) **Waiver Of Rights.** The Secured Party may be the purchaser at any sale and the Secured Party or any purchaser of the Collateral upon any such sale thereof, shall purchase, take and hold the Collateral freed from any rights of any kind of the Borrower including but not limited to the equity or right of redemption, stay or appraisal, which rights, the Borrower hereby specifically waives and releases.

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- (E) **Possession.** The Secured Party may take possession of the Unit, sublease the Unit and receive and retain any income under said sublease and apply the same against the Borrower's obligations under the Proprietary Documents and under this Security Agreement. From and after the date that the Secured Party takes possession of the Unit under this Section 6 (E), the Borrower shall be liable to the Secured Party not only for amounts otherwise due the Secured Party by reason of the default under this Security Agreement, but also the difference, if any, between the amount paid by the Secured Party as carrying charges, maintenance charges or any other charges or payments required to be made pursuant to the terms of the Proprietary Document to the Corporation and the amount, if any, received by the Secured Party under any sublease pursuant to this provision.
- (F) **Additional Remedies.** The Secured Party may, however, instead of exercising the power of sale confirmed upon it by the Security Agreement, proceed in a suit or suits at law or in equity to foreclose the pledge and sell the Collateral or may proceed by separate lawsuit or proceeding against the Borrower under the Note.
- (G) **Costs And Expenses.** In the event of any sale, the Secured Party may first deduct all expenses of collection, sale and delivery of the Collateral sold and any expenses incident thereto, including but not limited to reasonable attorney's fees, brokerage commissions and transfer taxes, and also all sums paid to the Corporation pursuant to the terms of the Proprietary Documents, or any replacement thereof, and may then apply the remainder to any liability of the Borrower under the Note and this Security Agreement, and shall return the surplus, if any, to the Borrower.
- (H) **Commercially Reasonable.** Any sale conducted upon the term of this Section 6 shall be deemed to be commercially reasonable.
- (I) **Time Of Sale.** The borrower agrees that the Secured Party shall have the right to continue to retain the Collateral until such time as the Secured Party, in its reasonable judgment, believes that an advantageous price can be obtained for the Collateral and the Secured Party shall not be liable to the Borrower for any loss in the value of the Collateral by reason of any delay in its sale.
- (J) **Completion Of Documents.** In connection with any sale or disposition of any Collateral, the Secured Party shall have the absolute right to complete the incomplete stock power and assignment for purposes of transferring the Pledged Stock and the Proprietary Documents.
- (K) **Insufficient Proceeds.** In any and all events, Borrower acknowledges responsibility for full payment of the indebtedness evidenced by the Note. If the net proceeds of sale are insufficient to satisfy in full said indebtedness, the Secured Party may proceed by separate lawsuit or proceeding against the Borrower for any deficiency.

## 7. ADDITIONAL PROMISES OF THE BORROWER

The Borrower further promises and agrees that:

- (A) **Cost Of Expenses.** The Borrower agrees to pay the Secured Party, on demand, all costs expended for collection of any payment due under the Note and all costs incurred by the Secured Party in connection with any suit to foreclose a pledge and sell the Collateral, whether or not such a suit shall have proceeded to judgment (including reasonable attorney's fees), together with interest on those costs at the rate or rates specified in the Note, and the costs shall be considered to be part of the debt and entitled to the benefits of this Security Agreement.
- (B) **Financing Statements.** The Borrower shall execute and deliver a Financing Statement and all renewals of previously filed Financing Statements upon request and hereby authorizes the Secured Party to file the same. If the Borrower refuses to execute and deliver a Financing Statement, the Secured Party shall have the right to execute and file the same on behalf of the Borrower.
- (C) **Recording Of Security Agreement; Fees.** The Borrower agrees that this Security Agreement may be recorded at the option of the Secured Party and agrees to pay all filing and recording fees in connection therewith. Any amount expended by the Secured Party in connection therewith shall be payable by the

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Borrower on demand, together with interest on those amounts at the rate or rates specified in the Note, and those amounts shall be considered to be part of the debt entitled to the benefits of the Security Agreements.

- (D) **Releases And Indemnity.** The Borrower agrees that the Corporation and its officers, agents and attorneys may transfer the Pledged Stock and the Proprietary Documents under this Security Agreement and may also bring a lawsuit or proceeding to evict Borrower from the Unit for failure to perform obligations under this Security Agreement. The Corporation and its officers, agents and attorneys may also refuse any request to transfer the Pledged Stock and the Proprietary Documents if the Secured Party does not consent. Borrower agrees to release and indemnify the Corporation and its officers, agents and attorneys from all liability, expenses and damages which it sustains in the exercise of these rights.

## 8. MISCELLANEOUS

- (A) **Rights Of The Borrower.** Until there has been an Event of Default and the Secured Party has elected to accelerate the indebtedness due under and in connection with the Agreements, the Borrower shall continue to exercise all rights under the Collateral and shall be entitled to all benefits as the owner of the Collateral with the same force and effect if the Borrower has not pledged the stock and assigned the Proprietary Documents to the Secured Party. The Borrower shall be exclusively responsible for the performance of all terms, covenants and conditions of the Proprietary Documents on the part of the lessee to be performed and the Secured Party shall have no responsibility whatsoever thereunder and shall under no circumstances be deemed the lessee of the Unit for any purpose. The Secured Party shall, however, be entitled through the term of this Security Agreement to receive directly all distributions of capital from the Corporation, to be applied in reduction of the indebtedness secured hereby.
- (B) **Possession In Event Of Default.** Upon the occurrence of an Event of Default, the Borrower shall immediately remove itself or themselves from the Unit and give possession thereof to the Secured Party. In the event that a proceeding to evict the Borrower becomes necessary, the cost of the same shall be considered to be part of the debt and entitled to the benefits of this Security Agreement.
- (C) **Termination; New Proprietary Documents.** Upon the occurrence of an Event of Default, the Secured Party shall have the right to request that the Corporation terminate the Proprietary Documents and issue new Proprietary Documents to the Secured Party or its nominee.
- (D) **Termination Of Security Agreement.** Upon repayment in full of the entire balance of the indebtedness secured hereby, including interest and other charges, if any, this Security Agreement shall terminate. The Secured Party agrees to transfer and deliver to the Borrower or its designee all of the Collateral then held in pledge hereunder.
- (E) **Assignment.** The Borrower shall not assign the Security Agreement. The Secured Party shall have the right to assign the Note, this Security Agreement and the Collateral, together with all its right, title and interest hereunder and in said Collateral without the Borrower's consent.
- (F) **Remedies Cumulative, No Waiver.** The rights, remedies and benefits specified in this Security Agreement are cumulative and are exclusive of any rights, remedies or benefits which the Secured Party may otherwise have and no delay on the part of the Secured Party in exercising any power or right under this Security Agreement shall operate as a waiver of such power or right as an estoppel assert the same.
- (G) **Waiver Of Rights.** The Borrower hereby waives the rights of presentment and notice of dishonor.
- (H) **Waiver of Trial By Jury.** Borrower agrees to waive a trial by jury in any lawsuit or proceeding which effects this Security Agreement, except as prohibited by law.

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- (I) **Governing Law, Severability.** The Agreements shall be constructed and governed by the laws of the Jurisdiction where said Unit is located and, as applicable, those of the United States of America. The Secured Party shall have all rights set forth in this Security Agreement. In the event any clause or provision is constructed or interpreted to be void, invalid or unenforceable, such clause or provision shall be separable from the remaining clauses and provision and shall not affect the validity or enforceability of the same.
- (J) **Terms.** The term "Secured Party" as used in this Security Agreement includes the Secured Party named herein, its successors, and assigns. The term "Borrower" as used in this Security Agreement includes each person who has signed this Note, each person being fully and personally, jointly and severally obligated to keep all the promises made herein. The Secured Party may enforce its rights under this Security Agreement against each Borrower individually or against all of us together.
- (K) **Full Understanding.** This Security Agreement contains the full understanding of the parties and may not be amended, altered, discharged or terminated and no provision of this Security Agreement may be waived, modified, or amended except by an agreement in writing signed by the party sought to be charged therewith.
- (L) **Captions.** Captions in the Security Agreement are for convenience and shall not be used to interpret or define the terms set forth in this Security Agreement.

This Security Agreement shall be binding on the Borrower and its legal representative and shall inure for the benefit for the Secured Party and its Successors and assigns.

IN WITNESS WHEREOF, the Borrower has executed this Security Agreement as of the day and year first above written, and NATIONAL CITY MORTGAGE, a division of National City Bank has of this 14<sup>th</sup> day of October, 20 08, caused these presents to be signed by \_\_\_\_\_, its \_\_\_\_\_ and its corporate seal to be hereto affixed, and has appointed said \_\_\_\_\_ its true and lawful attorney-in-fact to acknowledge and deliver these presents according to law as of the date and year first above written.

WITNESS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

BORROWER:  
William Herzog (seal)  
WILLIAM E. HERZOG  
Barbara Herzog (seal)  
Barbara Herzog (seal)

SIGNING SOLELY FOR  
THE PURPOSE OF  
WAIVING HOMESTEAD

ATTEST:  
\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SECURED PARTY:  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[CORPORATE SEAL]

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STATE OF ILLINOIS )SS  
COUNTY OF Cook )SS

I, Robbie Reardon, A NOTARY PUBLIC IN AND FOR SAID STATE AND COUNTY, DO HEREBY CERTIFY

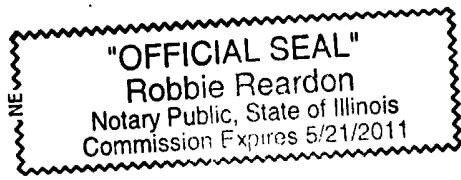
THAT William E. Herzog & Barbara Herzog

PERSONALLY KNOWN TO ME TO BE THE SAME PERSON (S) WHOSE NAME(S) ARE SUBSCRIBED TO THE FOREGOING INSTRUMENT APPEARED BEFORE ME THIS DAY IN PERSON AND ACKNOWLEDGED THAT they SIGNED AND DELIVERED THE SAID INSTRUMENT AS their FREE AND VOLUNTARY ACT, FOR THE USES AND PURPOSES THEREIN SET FORTH.

GIVEN UNDER MY HAND AND OFFICIAL SEAL, THIS 14 DAY OF Oct, 2008.

Commission expires: 5/21/11

Robbie Reardon  
Notary Public



Notary Public, State of Illinois  
Commission Expires 5/21/2011  
Cook County Clerk's Office



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SCHEDULE A  
ALTA Commitment  
File No.: 574692

## LEGAL DESCRIPTION

Apartment 4-A of 1335 Astor, which is located on the following described real estate:

Lots 4, 5, 6, 7 and 8 in Owners Resubdivision of the West 125 feet of Lots 37 and 38 in Astors Addition to Chicago in Section 3, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

# 17-03-105-009, -010, -011,  
-012, -013

Property of Cook County Clerk's Office



Authorized Signature

STEWART TITLE COMPANY

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## LEGAL DESCRIPTION

### EXHIBIT "A"

**File No.: 574692**

Apartment 4-A of 1335 Astor, which is located on the following described real estate:

Lots 4, 5, 6, 7 and 8 in Owners Resubdivision of the West 125 feet of Lots 37 and 38 in Astors Addition to Chicago in Section 3, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Property of Cook County Clerk's Office