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## Illinois Anti-Predatory Lending Database Program

### Certificate of Exemption



**Report Mortgage Fraud**  
**844-768-1713**

Doc#: 2233510043 Fee: \$98.00  
Karen A. Yarbrough  
Cook County Clerk  
Date: 12/01/2022 10:04 AM Pg: 1 of 27

The property identified as: **PIN: 02-21-221-014-0000**

**Address:**

**Street:** 858 W Ellis Ave

**Street line 2:**

**City:** Palatine

**State:** IL

**ZIP Code:** 60067

**Lender:** Morgan Stanley Private Bank, National Association

**Borrower:** Derrick McLean and Emma Mathison

**Loan / Mortgage Amount:** \$511,000.00

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

**Certificate number:** 437C274B-E22D-4F58-AC91-F75E211C3BDD

**Execution date:** 11/29/2022

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After Recording Return To:  
**Morgan Stanley Private Bank, National  
 Association**  
 4270 Ivy Pointe Blvd., Suite 400  
 Cincinnati, OH 45245

Prepared By:  
**Morgan Stanley Private Bank, National  
 Association**  
 4270 Ivy Pointe Blvd, Suite 400  
 Cincinnati, OH 45245

Parcel ID Number **02-21-221-014-0000**

226NW108196604/115CRA

[Space Above This Line For Recording Data]

## MORTGAGE

MIN: **1002628-6009123346-8**

Loan #: **6009123346**

### DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

- (A) **"Security Instrument"** means this document, which is dated **November 29, 2022**, together with all Riders to this document.
- (B) **"Borrower"** is **Derrick McLean and Emma Mathison**, husband and wife, as tenants by the entirety. Borrower is the mortgagor under this Security Instrument.
- (C) **"MERS"** is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. **MERS is the mortgagee under this Security Instrument.** MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel: (888) 679-MERS.
- (D) **"Lender"** is **Morgan Stanley Private Bank, National Association**. Lender is a **National Bank** organized and existing under the laws of **The United States of America**. Lender's address is **4270 Ivy Pointe Blvd, Suite 400, Cincinnati, OH 45245**.
- (E) **"Note"** means the promissory note signed by Borrower and dated **November 29, 2022**. The Note states that Borrower owes Lender **FIVE HUNDRED ELEVEN THOUSAND AND NO/100 Dollars** (U.S. \$ **511,000.00** ) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than **December 01, 2052**.
- (F) **"Property"** means the property that is described below under the heading "Transfer of Rights in the Property."
- (G) **"Loan"** means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
- (H) **"Riders"** means all Riders to this Security Instrument that are executed by Borrower. The following



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Riders are to be executed by Borrower [check box as applicable]:

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider              | <input type="checkbox"/> Second Home Rider  |
| <input type="checkbox"/> Balloon Rider         | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> VA Rider           |
| <input type="checkbox"/> 1-4 Family Rider      | <input type="checkbox"/> Biweekly Payment Rider         | <input type="checkbox"/> Other(s) [specify] |

(I) **"Applicable Law"** means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(J) **"Community Association Dues, Fees, and Assessments"** means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) **"Electronic Funds Transfer"** means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) **"Escrow Items"** means those items that are described in Section 3.

(M) **"Miscellaneous Proceeds"** means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) **"Mortgage Insurance"** means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) **"Periodic Payment"** means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) **"RESPA"** means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (12 C.F.R. Part 1024), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) **"Successor in Interest of Borrower"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

## TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to MERS (solely as nominee for Lender and Lender's successors and assigns) and to the successors and assigns of MERS, the following described property located in the **COUNTY** of **COOK**:



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SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF.

which currently has the address of **858 W Ellis St, Palatine, Illinois 60067** ("Property Address"):

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

BORROWER COVENANTS that Borrower is lawfully seised 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. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

**1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.**

Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.



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**2. Application of Payments or Proceeds.** Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

**3. Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall 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,



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instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

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

**4. Charges; Liens.** 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, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

**5. Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in



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connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

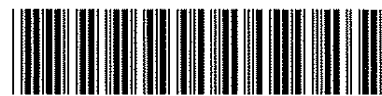
If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

**6. Occupancy.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless



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extenuating circumstances exist which are beyond Borrower's control.

**7. Preservation, Maintenance and Protection of the Property; Inspections.** Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

**8. Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

**9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**10. Mortgage Insurance.** If Lender required Mortgage Insurance as a condition of making the



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Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

**(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.**

**(b) Any such agreements will not affect the rights Borrower has – if any – with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.**

**11. Assignment of Miscellaneous Proceeds; Forfeiture.** All Miscellaneous Proceeds are



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hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

**12. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted



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by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

**13. Joint and Several Liability; Co-signers; Successors and Assigns Bound.** Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

**14. Loan Charges.** Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

**15. Notices.** All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first



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class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

**16. Governing Law; Severability; Rules of Construction.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

**17. Borrower's Copy.** Borrower shall be given one copy of the Note and of this Security Instrument.

**18. Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**19. Borrower's Right to Reinstate After Acceleration.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to Section 22 of this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged unless as otherwise provided under Applicable Law. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the



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following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

**20. Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 15 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

**21. Hazardous Substances.** As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes 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; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).



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Borrower shall promptly give Lender written notice of (a) 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, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, 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. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

**22. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

**23. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

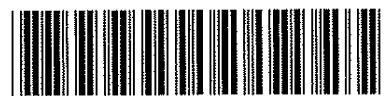
**24. Waiver of Homestead.** In accordance with Illinois law, the Borrower hereby releases and waives all rights under and by virtue of the Illinois homestead exemption laws.

**25. Placement of Collateral Protection Insurance.** Unless Borrower provides Lender with evidence of the insurance coverage required by Borrower's agreement with Lender, Lender may purchase insurance at Borrower's expense to protect Lender's interests in Borrower's collateral. This insurance may, but need not, protect Borrower's interests. The coverage that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the collateral. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained insurance as required by Borrower's and Lender's agreement. If Lender purchases insurance for the collateral, Borrower will be responsible for the costs of that insurance, including interest and any other charges Lender 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 Borrower's total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance Borrower may be able to obtain on its own.



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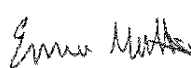
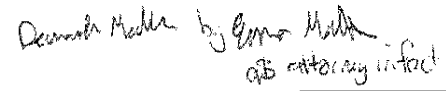


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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

 Borrower - <b>Emma Mathison</b>	 Borrower - <b>Derrick McLean, By Emma Mathison as Attorney in Fact</b>
--	--

[Space Below This Line For Acknowledgment]

State of Illinois

County Cook

The foregoing instrument was acknowledged before me on November 29, 2022  
 by Emma Mathison, Derrick McLean, by Emma Mathison  
as attorney in fact

(Signature of person taking acknowledgment)

My Commission Expires on 02/05/2023

Origination Company: **Morgan Stanley Private Bank, National Association**

NMLSR ID: **663185**

Originator: **Laurie Powell**

NMLSR ID: **1642515**

OFFICIAL SEAL  
 KATHLEEN J CLARKE  
 NOTARY PUBLIC, STATE OF ILLINOIS  
 COOK COUNTY  
 MY COMMISSION EXPIRES 02/05/2023



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Loan Number: 6009123346

## PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT (this "**Agreement**") is made and entered into as of **November 29, 2022** between **Emma Mathison** (herein "**Pledgor**") and MORGAN STANLEY PRIVATE BANK, NATIONAL ASSOCIATION (herein "**Lender**")

### RECITALS:

A. **Emma Mathison, Derrick McLean** (collectively, "**Debtor**") has or will issue and deliver to Lender a promissory note in the principal amount of **\$511,000.00** herewith payable to Lender (as such promissory note may be amended, modified, or supplemented from time to time and together with all other promissory notes given in substitution, modification, renewal or extension thereof, in whole or in part, herein collectively referred to as the "**Note**").

B. The Note is or will be secured by a mortgage or deed of trust entered into by **Derrick McLean and Emma Mathison, husband and wife, as tenants by the entirety on 858 W Ellis St, Palatine, IL 60067** (as such mortgage or deed of trust may be amended, modified or supplemented from time to time, herein referred to as the "**Mortgage**").

C. The Note also is or will be secured by the following securities account or accounts held for the benefit of Pledgor, as well as all financial assets and security entitlements with respect to the financial assets credited to the account or accounts (collectively "**Account**," and if more than one account is listed, any reference to "Account" herein means any account listed) that is custodied or carried on the books of Morgan Stanley Smith Barney LLC ("**Broker**") (together with its successors or assigns); Account No. **319-682908**, which Account shall be retitled in the name of "MORGAN STANLEY PRIVATE BANK, NATIONAL ASSOCIATION for the benefit of **Emma Mathison** as Collateral", which may be renumbered as a result of the Account becoming pledged as security for the Note ("**Pledged Account**"). Pledgor hereby grants Broker permission to rename or renumber the Account at any time as Broker deems necessary.

D. Pledgor desires that Lender make the loan evidenced by the Note (the "**Loan**") to Debtor, and, as a condition of the Loan, Lender requires that Pledgor grant a security interest in the Account to Lender.

E. The Loan is secured by both real property (i.e., the Mortgage) and personal property (i.e., the Collateral, as hereinafter defined). Upon the occurrence of a Default (as hereinafter defined), Lender, or its successors or assigns, may, in its sole discretion, enforce its security interest in the Collateral, the Mortgage, or both.

NOW, THEREFORE, to induce Lender to make the Loan and in consideration of the making of the Loan, Pledgor agrees with Lender as follows:

**1. Definitions.** In addition to terms defined elsewhere herein, (a) the following terms shall have the respective meanings given them in Articles 8 and 9 of the New York Uniform Commercial Code (the "**UCC**"), as the UCC is in effect on the date of this Agreement: "security," "certificated security," "uncertificated security," "instrument," "general intangibles," "financial asset," "investment property," "securities intermediary," "security entitlement," and "proceeds" and (b) the terms "certificate of deposit" and "person" shall have the respective meanings given such terms in Articles 1 and 3 of the UCC as in effect on the date of this Agreement. "**Securities Intermediary**" shall mean Morgan Stanley Smith Barney LLC with respect to Accounts that are custodied and carried on the books of Morgan Stanley Smith Barney LLC. "**Obligations**" means the Loan and all other present and future indebtedness and



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obligations evidenced or secured by the Note or the Mortgage (whether for principal, interest, fees, expenses or otherwise) and all obligations of Pledgor under this Agreement or in connection with the Account, in each case of whatever kind, now due or to become due, absolute or contingent, and whether joint, several or joint and several. **"Documents"** means this Agreement, the Note, the Mortgage, the Master Control Agreement (as hereinafter defined) and all other present and future agreements, instruments and documents evidencing or securing all or any portion of the Obligations, including without limitation all notes, pledge agreements, contract agreements, security agreements, mortgages, deeds of trust, assignments, and authorizations. **"Master Control Agreement"** means the document entered into by Lender and Broker for the purpose of controlling the Account and confirming the process for fulfilling obligations related to holding the Account as security.

**2. Maintenance of Collateral.** Pledgor shall cause the value of the Collateral Base to be not less than \$19,000.00 on the date of the making of the Loan (the **"Pledge Amount"**). Thereafter Pledgor shall not permit the Collateral Base to be less than the Pledge Amount. The Pledge Amount may be modified from time to time at the discretion of Lender, to reduce it below the amount set forth above; any such modification shall be evidenced by a written agreement executed by Pledgor and Lender. The term **"Collateral Base"** shall mean, at any time, the amount at such time of the value as reasonably determined by Lender in its sole discretion, of the Collateral (as hereinafter defined) in the Account (or the total of Collateral in all Accounts if more than one Account is listed above) constituting investment property which Lender, in its sole discretion, reasonably deems acceptable for inclusion in the Collateral Base. Lender may at any time in its sole discretion exclude Collateral from the determination of Collateral Base. If the Collateral Base is less than the Pledge Amount, Pledgor shall, deposit in the Account, funds or additional securities acceptable to Lender for inclusion in the Collateral Base and having a value, as determined by Lender in its reasonable sole discretion, sufficient to increase the Collateral Base as of the date of such delivery to not less than the Pledge Amount.

**3. Pledgor's Authority over Account.** Notwithstanding anything else in this Agreement to the contrary, at any time when no Default has occurred or would occur as a result thereof, Pledgor may (a) withdraw from the Account, free and clear of Lender's security interest, Collateral if, after giving effect to any such withdrawal, the Collateral Base would not be less than the Pledge Amount, (b) make trades on the Account, if after giving effect to any such trade, the Collateral Base would not be less than the Pledge Amount, and (c) exercise any and all voting and other consensual rights pertaining to the Collateral; provided, however, that the Pledgor will refrain from exercising such right if such action is prohibited by the provisions herein or would cause the Collateral Base to be less than the Pledge Amount.

**4. Security Interest.** To secure the payment and performance of all of the Obligations, Pledgor hereby assigns, pledges, grants and conveys the Collateral to Lender, and grants to Lender a first priority security interest in the Collateral. **"Collateral"** means the following property or interests in property of Pledgor, whether now existing or owned or hereafter existing, owned, acquired or arising: (i) the Account as it exists on the date hereof and as it may be continued in the future, and all money, securities (certificated or uncertificated), instruments, certificates of deposit, general intangibles, financial assets, other investment property, and other property of any kind or description now or hereafter credited to or in the Account or described or referenced in any confirmation or account statement or other report with respect to the Account or distributed from the Account, except distributions permitted by Sections 2 and 3 hereof now or in the future; (ii) any credit balance or other money, now or hereafter credited to, or owing from Broker to Pledgor in respect of, the Account; (iii) all books and records related to any of the foregoing; (iv) all proceeds of the sale, exchange, redemption or exercise of any of the foregoing, including without limitation any dividend, interest payment or other distribution of cash or property in respect thereof and all other cash or non-cash proceeds of the foregoing; and (v) any rights incidental to the ownership of any of the foregoing, such as voting, conversion and registration rights and rights of recovery for violations of applicable securities laws.

**5. Pledgor Remains Liable.** Anything herein to the contrary notwithstanding, (a) the exercise by the Lender of any of the rights hereunder shall not release the Pledgor from any duties or obligations under



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the contracts and agreements included in the Collateral and (b) the Lender shall not have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Lender be obligated to perform any of the obligations or duties of the Pledgor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

**6. Control of Collateral.** For the purpose of giving the Lender control over the securities account, Pledgor hereby consents to Securities Intermediary entering into the Master Control Agreement with Lender pursuant to which the Securities Intermediary agrees (i) to accept and comply with entitlement orders and instructions from Lender (or from any assignee or successor of Lender) regarding the Account without further consent of Pledgor, (ii) to comply only with entitlement orders originated by Lender in the event that entitlement orders originated by Pledgor are inconsistent with entitlement orders originated by Lender, (iii) to, upon issuance of a Default Notice (as defined herein), cease honoring entitlement orders and instructions (including without limitation voting instructions) issued by or on behalf of Pledgor absent the written consent of Lender, and (iv) following a Default Notice from Lender, to comply with voting instructions from Lender.

**7. Statements, Confirmations and other Notices.** Pledgor hereby authorizes Lender to obtain account statements, trade confirmations, and any other information relating to the Account (the "Account Data") from Securities Intermediary at any time and from time to time, including ongoing access electronically, without Pledgor's consent.

**8. Acknowledgments Regarding Broker/Securities Intermediary.** Pledgor acknowledges that Securities Intermediary shall have no responsibility or liability to Pledgor as a result of complying with a Default Notice or entitlement order concerning the Account or other Collateral originated by Lender. Pledgor further acknowledges that Securities Intermediary shall have no duty to investigate or make any determination as to whether a Default exists and shall comply with a Default Notice even if it believes that no such Default exists. Pledgor shall not hold Securities Intermediary responsible for any decline in the market value of any Collateral or the failure to notify Lender or Pledgor thereof or of its failure to take any action or action taken with respect to the Account or any other Collateral, including, without limitation, permitting Lender to withdraw or transfer any or all Collateral from the Pledged Account, except to the extent caused by Securities Intermediary's gross negligence or willful misconduct.

Pledgor acknowledges and accepts that the Lender and the Broker have procedures in place whereby any entitlement order originated by the Pledgor (or by any investment advisor designated by the Pledgor) to withdraw any assets from the Pledged Account, pay any money, free credit balance or other amount owing on the Pledged Account or trade any asset is subject to a process whereby the Lender, or the Broker on the Lender's behalf, assesses whether such withdrawal or trade would cause the Collateral Base to be less than the Pledge Amount, and if so, may not honor such a request. The Broker, however, may act solely on the instructions communicated to it via the Lender in respect of any such trading or withdrawal.

**9. Duty of Lender.** If Lender takes possession of any of the Collateral, the duty of Lender with respect to such Collateral shall be solely to use reasonable care in the physical custody thereof, and Lender shall not be under any obligation to take any action with respect to any of the Collateral or to preserve rights against prior parties. The powers conferred on Lender hereunder are solely to protect its interest in the Collateral and do not impose any duty upon it to exercise any such powers. Pledgor is not looking to Lender to provide Pledgor with investment advice, and no action by Lender shall be construed as Lender providing or attempting to provide investment advice to Pledgor.

**10. Subsequent Changes Affecting Collateral.** Pledgor acknowledges that Pledgor has made its own arrangements for keeping informed of changes or potential changes affecting the Collateral (including, but not limited to, calls, conversions, subscriptions, exchanges, maturities, reorganizations, dividends, tender offers, mergers, consolidations and shareholder meetings), and Pledgor agrees that Lender has no responsibility to inform Pledgor of such matters or to take any action with respect thereto even if the



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Collateral or any part of it has been registered in the name of Lender or its agent or nominee.

**11. Return of Collateral.** The security interest granted to Lender hereunder shall not terminate and Lender shall not be required to return the Collateral to Pledgor or to terminate Lender's security interest therein unless and until (a) the Obligations have been fully paid and performed, (b) all of Pledgor's obligations under this Agreement have been fully paid and performed, (c) the obligations of all parties to the Documents have been discharged or released, and (d) Pledgor has reimbursed Lender for any expenses of returning the Collateral and filing any termination statements and other instruments required to be filed in public offices under applicable laws. Notwithstanding Section 11(a), Lender may modify the Pledge Amount in Section 2 of this Agreement for a partial release or a full release of the Obligations under mutually agreeable terms, and Pledgor may request Lender to consider such release. Mutually agreeable terms could include Pledgor bearing the costs of an appraisal of the Property and other costs associated with the request.

**12. Tax Reporting.** All income, gain, expense or loss recognized in the Account shall be for tax purposes for the account of Pledgor and may be reported by Lender or Broker to the Internal Revenue Service and all state and local taxing authorities under the name and taxpayer identification number of Pledgor (or any Pledgor, at Lender's option).

**13. Representations and Warranties.** Pledgor represents and warrants to Lender as follows: (i) this Agreement duly executed and delivered by Pledgor, constitutes Pledgor's valid and legally binding obligations and is enforceable in accordance with its terms against Pledgor; (ii) the Account is a valid and legally binding obligation of Broker and each security entitlement credited thereto is valid and genuine; (iii) Pledgor is the sole owner of the Collateral free and clear of all liens, encumbrances and adverse claims (other than those created by this Agreement), has the unrestricted right to grant the security interest provided for herein to Lender and has granted to Lender a valid and perfected first priority security interest in the Collateral free and clear of all liens, encumbrances, transfer restrictions and adverse claims; (iv) Pledgor will not attempt to grant a security interest or lien on the Collateral without the written authorization of Lender; (v) Pledgor grants Lender control over the Pledged Account under the terms set forth in this Agreement; (vi) Pledgor consents to the Pledged Account becoming subject to this Agreement for the benefit of Lender; (vii) Securities Intermediary shall not be responsible for any decline in the market value of any Collateral or the failure to notify the Lender or Pledgor thereof or its failure to take any action or action taken with respect to any Collateral, including, without limitation, permitting the Lender to withdraw Collateral from the Pledged Account, or failing to permit the Pledgor to trade within the Pledged Account or withdraw Collateral from the Pledged Account, except to the extent directly caused by Securities Intermediary's gross negligence or willful misconduct; (viii) the Pledged Account being retitled as set forth herein to further evidence the Lender's security interest in the Account granted pursuant to this Agreement; (ix) Securities Intermediary may provide information to the Lender regarding the Pledged Account reasonably necessary to carry out the terms of this Agreement; (x) Pledgor's full legal name and Pledgor's chief executive office or principal residence address has been provided to Lender and Pledgor will provide written notice to Lender of any change of such address at least thirty (30) days before Pledgor changes such address; and (xi) all information furnished by Pledgor concerning the Collateral or otherwise in connection with this Agreement, is or shall be at the time the same is furnished, accurate, correct and complete in all material respects.

**14. Covenants.** Pledgor covenants that Pledgor shall: (i) defend Pledgor's title to the Collateral and the security interest of Lender therein against the claims of any person claiming rights in the Collateral against or through Pledgor and maintain and preserve such security interest so long as this Agreement shall remain in effect; (ii) neither withdraw any Collateral from the Account, nor sell nor offer to sell nor otherwise transfer nor encumber any portion of the Collateral, except that Pledgor may sell or transfer Collateral to the extent that the Collateral Base exceeds the Pledge Amount after giving effect to any withdrawal; this provision shall not prohibit Pledgor from making trades in the Account or exercising voting or other consensual rights as to any of the Collateral before the occurrence of a Default provided that, in the case of trades, the proceeds of such trades shall remain in the Account; (iii) cause Pledgor at all times



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to be the sole owner of the Collateral and the Collateral to be subject to a first priority security interest in favor of Lender and free of all liens, encumbrances, transfer restrictions, security interest and adverse claims (other than those created by this Agreement); (iv) neither attempt to modify nor attempt to terminate any agreement with Securities Intermediary under which the Account was established; (v) notify Lender at least thirty (30) days before Pledgor changes Pledgor's name or Pledgor's chief executive office or principal residence address; (vi) cause Securities Intermediary to send to Lender or give Lender access to (including by electronic means), or provide to Lender upon Lender's request, at any time and from time to time all statements, notices, trade confirmations or other communications or data concerning the Account or the other Collateral that Securities Intermediary sends to Pledgor with respect to the Account or the other Collateral; (vii) not borrow on or otherwise engage in margin trading of any kind with respect to the Collateral; and (viii) promptly give Lender notice of any encumbrance upon or claim asserted against any of the Collateral.

**15. Further Assurances.** Pledgor shall: (i) at Pledgor's expense, do such further acts and execute, deliver and file such additional conveyances, certificates, instruments, Uniform Commercial Code financing statements, amendments to and continuations of financing statements, legal opinions and other assurances as Lender may at any time request or require to protect, assure or enforce its interests, rights and remedies under this Agreement or to perfect or to continue the perfection of Lender's security interest in the Collateral; (ii) promptly deliver any certificate or instrument constituting or representing any of the Collateral of which Pledgor may obtain possession from time to time to Broker for credit to the Account, duly endorsed in blank without restriction; and (iii) promptly deliver to Broker any endorsements or instruments which may be necessary or convenient to transfer any financial assets held by Broker which are registered in the name of, payable to the order of, or specially endorsed to Pledgor, to Broker or to Securities Intermediary (including any clearing corporation or transfer agent) or to one of their respective nominees.

**16. Events of Default.** The occurrence of one or more of the following shall constitute a default under this Agreement (each, a "Default"): (a) Pledgor or Debtor or any other person fails to pay or perform any of the Obligations when the same become due and payable or performable; or (b) a breach, default or event of default occurs under the Note, the Mortgage or any other Document; or (c) Pledgor fails to perform any obligation or violates any covenant contained in this Agreement; or (d) any representation or warranty made by Pledgor in this Agreement or any information contained in any financial statement or other document delivered to Lender by or on behalf of Pledgor contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading in light of the circumstances in which they were made; or (e) Pledgor or a trustee, receiver, agent, guardian or custodian of Pledgor dies; or (f) a trustee, receiver, agent, guardian or custodian is appointed or authorized to take charge of any property of Pledgor for the purpose of enforcing a lien against such property or for the purpose of administering such property for the benefit of Pledgor's creditors; or (g) Pledgor or a trustee, receiver, agent, guardian or custodian of Pledgor makes an assignment for the benefit of creditors, or commences a proceeding as to Pledgor or a trustee, receiver, agent, guardian or custodian of Pledgor under any bankruptcy, reorganization, arrangement or insolvency statute or other law or any jurisdiction, or such proceeding shall be commenced against Pledgor or a trustee, receiver, agent, guardian or custodian of Pledgor or the property of Pledgor or a trustee, receiver, agent, guardian or custodian of Pledgor.

**17. Remedies.** Upon the occurrence of a Default, in addition to any other remedies available set forth below and under the law or any agreement, Lender shall have the rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Lender may, in its sole discretion (acting directly or through Broker or any agent), without demand for additional Collateral, or notice of sale or purchase, or other notice or advertisement:

- (i) sell or transfer any or all of the Collateral;
- (ii) cancel any outstanding orders or close out any commitments made on Pledgor's behalf;
- (iii) deliver a Default Notice (as herein defined) to Securities Intermediary;



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- (iv) cause the Account to be reregistered in its sole name or transfer the Account to another broker/dealer in its sole name;
- (v) remove any Collateral from the Account, which may be any Account or Accounts at Lender's sole discretion if more than one Account is listed above, and register such Collateral in its name or in the name of the broker/dealer, agent or nominee or any of their nominees;
- (vi) exchange certificates representing any of the Collateral for certificates of larger or smaller denominations;
- (vii) exercise any voting, conversion, registration, purchase or other rights of a holder of any of the Collateral and any reasonable expense of such exercise shall be deemed to be an expense of preserving the value of such Collateral for the purposes of Section 19 below;
- (viii) collect, including by legal action, any notes, checks or other instruments for the payment of money included in the Collateral and compromise or settle with any obligor on such instruments; and
- (ix) if the Pledgor fails to perform any agreement contained herein, the Lender may itself perform, or cause performance of, such agreement, and the expenses of the Lender incurred in connection therewith shall be payable by the Pledgor. The powers conferred on the Lender hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such power.

Lender's exercise of its remedies with respect to the Collateral constitutes enforcing its security interest in the Collateral. Under the terms of this Agreement, Lender may enforce its security interest in the Collateral without bringing a personal action against the Pledgor or the Debtor and without obtaining a deficiency judgment. In its sole discretion, and as permitted under applicable law, Lender may enforce its security interest in the Collateral with or without enforcing the Mortgage, and in any order.

Notwithstanding any policy of Lender or Securities Intermediary as to the giving of notice of a Default, and despite any specific incidents or prior course of conduct among Lender, Securities Intermediary and Pledgor, Pledgor authorizes Lender and Securities Intermediary to liquidate any or all Collateral (including amounts in excess of the Pledge Amount) upon the occurrence of a Default without notice to Pledgor and without any prior request for additional Collateral from Pledgor. Lender and Securities Intermediary may perform such sales or transactions according to their respective judgment and discretion - with or without prior notice or advertisement - on the exchange or other market where such business is usually transacted; or at public auction or private sale (including transactions with Securities Intermediary for their own account); and to the extent permitted by applicable law Pledgor waives any right of redemption with respect to sales of Collateral by Lender. Lender's giving of any prior demand or call or prior notice of the time and place of any such sale or purchase shall not be considered a waiver of Lender's right to sell or buy without any such demand, call or notice as herein provided. If, under the UCC Lender may purchase any part of the Collateral, it may in payment of any part of the purchase price thereof cancel any part of the Obligations. Pledgor shall execute and deliver to the purchasers of the Collateral all instruments and other documents and take such other action as Lender may deem necessary or proper to sell, convey, and transfer title to the Collateral. Any cash held by Lender as Collateral and all cash proceeds of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of Lender, (i) be held by Lender as collateral for the Obligations, or (ii) then or at any time thereafter be applied (after payment of any amounts payable to Lender pursuant to Section 19 below) in whole or in part against all or any part of the Obligations in such order as Lender may elect. Any cash proceeds may also be held by Lender in the Account and invested by Lender through the Account in a money market account or fund maintained by Securities Intermediary. Any surplus of such cash or cash proceeds held by Lender and remaining after payment in full of all of Lender's expenses hereunder and the Obligations shall be paid over to Pledgor or to whomever may be lawfully entitled to receive such surplus. All rights and remedies available to Lender hereunder and under any other agreement shall be cumulative and in addition to any and all other rights and remedies available at law, in equity or otherwise, and any one or more of such rights and remedies may be exercised concurrently or in sequence. Lender's liquidation or



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withdrawal, or both, of any Collateral from the Account shall not be deemed (i) to cure any default pursuant to the Documents; (ii) a tender of arrears or tender of performance sufficient to require reinstatement of the Loan; or (iii) a waiver of acceleration or of Lender's right to accelerate the balance due on the Mortgage or to foreclose the Mortgage.

**18. Appointment of Lender as Agent.** Pledgor hereby appoints and constitutes Lender, its successors and assigns, as Pledgor's agent and attorney-in-fact for the purpose of carrying out the provisions of this Agreement and taking any action or executing any instrument that Lender considers necessary or convenient for such purpose, including the power to endorse and deliver checks, notes and other instruments for the payment of money in the name of and on behalf of Pledgor, to endorse and deliver in the name of and on behalf of Pledgor securities certificates and execute and deliver in the name of and on behalf of Pledgor financing statements (which may be photocopies of this Agreement) and continuations and amendments to financing statements in the State of New York or elsewhere and Forms 4 and 5 and Schedules 13D and 13G with the United States Securities and Exchange Commission and similar documents. The rights and powers granted herein to Lender have been granted in order to perfect Lender's security interest in the Collateral. Pledgor authorizes Lender to file one or more financing statements without the Pledgor's signature to protect its security interest in the Collateral. This appointment is coupled with an interest and is irrevocable and will not be affected by the death, disability or bankruptcy of Pledgor or by the lapse of time. If Pledgor fails to perform any act required by this Agreement, Lender may perform such act in the name of and on behalf of Pledgor and at Pledgor's expense which shall be chargeable to Pledgor under Section 19 below. Pledgor hereby consents and agrees that the issuers of or obligors of the Collateral or any registrar or transfer agent or trustee for any of the Collateral shall be entitled to accept the provisions hereof as conclusive evidence of the rights of Lender to effect any transfer pursuant to this Agreement and the authority granted to Lender herein, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by Pledgor, or any other person, to any of such issuers, obligors, registrars, transfer agents, or trustees.

**19. Expenses.** Pledgor agrees that Pledgor will forthwith upon demand pay to Lender: (a) the amount of any taxes which Lender may have been required to pay by reason of holding the Collateral or to free any of the Collateral from any lien, encumbrance or adverse claim thereon, and (b) the amount of any and all out-of-pocket expenses, including the fees and disbursements of attorneys and of any brokers, investment brokers, appraisers or other experts, that Lender may incur in connection with (i) the enforcement of this Agreement, including such expenses as are incurred to preserve the value of the Collateral and the validity, perfection, rank and value of Lender's security interest therein, (ii) the collection, sale or other disposition of any of the Collateral, (iii) the exercise by Lender of any of the rights conferred upon it hereunder, or (iv) any action or proceeding to enforce its rights under this Agreement or in pursuit of any non-judicial remedy hereunder including the sale of the Collateral, including bankruptcy or similar proceedings and any appeal or appeals taken from, or in connection with, any action or proceedings in any forum. As used herein, "cost," "interest," "expense" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein. Pledgor shall indemnify Lender and its directors, officers, employees, affiliates, agents, advisors, and attorneys (each an "Indemnified Party") against, and hold them harmless from, any liability, cost or expense, including attorneys' fees and disbursements, incurred by any of them as a result of the existence of this Agreement or the holding or sale of any Collateral, except for liability, cost or expense arising out of the gross negligence or willful misconduct of the indemnified parties. At its option, Lender may pay and discharge taxes, liens, security interests or other encumbrances on the Collateral. Pledgor agrees to reimburse Lender under this Section 19 for any payment made or any expense incurred (including reasonable attorneys' fees and disbursements) by Lender pursuant to the foregoing authorization.

## 20. Certain Waivers, Etc.

**A. Independence of Obligations.** To the extent that Pledgor and Debtor are different persons, the obligations of the Pledgor under this Agreement are independent of the Obligations of Debtor, and as permitted by applicable law, a separate action or actions may be brought and prosecuted against the Pledgor to enforce this Agreement, irrespective of whether any action is brought



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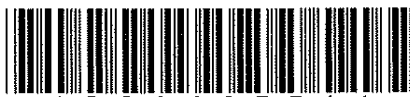
against Debtor or whether Debtor is joined in any such action or actions. This Agreement may not be terminated without the written consent of Lender.

**B. Obligations are Absolute.** All obligations of Pledgor and Lender's rights and remedies (including Lender's security interest in the Collateral) shall be absolute and unconditional, irrespective of (i) the invalidity or unenforceability of the Obligations or any of the Documents, or any law affecting the Obligations or any Document; (ii) the absence of any attempt to collect the Obligations from Debtor or from any other person primarily or secondarily liable with respect to the Obligations or of any attempt to realize upon any collateral for the Obligations, for the obligations of any such other person, or for this Agreement; (iii) any failure by Lender to acquire, perfect or maintain a security interest or lien in or on or to protect any collateral for the Obligations or for any such obligations; (iv) any defense arising by reason of any disability or other defense of Debtor or any other person primarily or secondarily liable on the obligations; (v) the acceptance of additional parties primarily or secondarily liable on the Obligations; (vi) the disallowance or avoidance of all or any portion of Lender's claims for repayment of the Obligations or of any collateral for the Obligations; (vii) any lack of validity or enforceability of the Mortgage, the Note or any other agreement or instrument relating thereto; (viii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Mortgage or the Note, including without limitation, any increase in the Obligations resulting from the extension of additional credit to Debtor; (ix) any taking, exchange, release or non-perfection of any other collateral, or any taking, release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Obligations; (x) any manner of application of Collateral, or proceeds thereof, to all or any of the Obligations, or any manner of sale or other disposition of any collateral for all or any part of the Obligations or any other assets of Debtor; (xi) any change, restructuring, revocation or termination of the organizational structure or existence of any party that is not an individual or the death or disability of any party that is an individual; (xii) any failure of the Lender to disclose to any party any information relating to the business, condition (financial or otherwise), operations, performance, assets, nature of assets, liabilities or prospects of any other party now or hereafter known to the lender; or (xiii) to the extent permitted by applicable law, any other circumstance which might otherwise constitute a discharge or defense of a guarantor or surety or third party pledgor.

**C. Claims Against Indemnified Party.** The Pledgor agrees not to assert any claim against any Indemnified Party, on any theory of liability for special, indirect, consequential or punitive damages arising out of or otherwise relating to this Agreement or the other Documents.

**D. Waiver of Notice.** Upon a Default, Lender may proceed directly and at once against the Collateral to collect the full amount of all or any portion of the Obligations from the Collateral, without notice and without first proceeding against the Mortgage, Debtor or any other person primarily or secondarily liable on the Obligations or any other Collateral. Lender shall have the exclusive right to determine the application of payments and credits, if any, from Pledgor, Debtor, or any other person primarily or secondarily liable on the Obligations.

**E. Authorization to Deal with Collateral and Obligations.** Lender is hereby authorized, without notice (which is hereby waived by Pledgor) and without affecting Lender's rights and remedies under this Agreement or in the Collateral, and Pledgor's obligations, under this Agreement, from time to time to (i) renew, extend, accelerate or otherwise change the time, place or manner for payment of, or other terms relating to, the Obligations, or otherwise modify, amend, change or waive compliance with the terms of the Obligations or any of the Documents; (ii) accept partial payments on the Obligations; (iii) take collateral for the Obligations and the obligations of any other person primarily or secondarily liable on the Obligations, and exchange, release, realize upon or institute any proceeding to realize upon, or liquidate any such collateral; (iv) apply such Collateral and direct the order or manner of sale thereof as Lender may determine





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in its discretion; (v) release or compromise, in any manner, or collect or initiate any proceeding to collect the Obligations or any portion thereof; (vi) enforce or institute any proceeding to enforce any guarantee of the Obligations or release, or compromise in any manner the obligations of, any other person primarily or secondarily liable on the Obligations.

**F. Waiver of Subrogation, Etc.** Until the Obligations and other obligations of Debtor to Lender shall have been paid and discharged in full and all Documents have been terminated, to the extent that Pledgor and Debtor are different persons, Pledgor shall have no right and agrees it will not make any claim, against Debtor or any other person primarily or secondarily liable on the Obligations with respect to or on account of any application of the Collateral to the Obligations or any part thereof, including without limitation any right of subrogation, exoneration, reimbursement, contribution or indemnification.

**G. Waiver of Set-Offs, Notices, Etc.** Pledgor waives all set-offs and counterclaims and all notices, presentments, protests and demands of any kind with respect to the Obligations and this Agreement (including without limitation demands for performance, notices of non-payment or non-performance, notices of protest, notices of dishonor and notices of acceptance of the Agreement) and promptness and diligence with respect to the Obligations.

**H. No Duty to Keep Pledgor Informed.** To the extent that Pledgor and Debtor are different persons, Pledgor hereby agrees that Lender shall have no duty to advise Pledgor of information now or hereafter known to Lender regarding the financial or other condition of Debtor or any other person primarily or secondarily liable on the Obligations or regarding any circumstances bearing on the risk of non-payment of the Obligations.

## 21. Miscellaneous.

**A. Final Agreement.** This Agreement and the other Documents set forth the entire agreement of the parties with respect to the subject matter hereof and supersede and discharge all prior agreements (written or oral) and negotiations and all contemporaneous or subsequent oral agreements concerning such subject matter and negotiations. There are no unwritten oral agreements between the parties with regard to the subject matter thereof.

**B. Delay in Enforcing Rights.** Neither the failure of nor any delay by any party to this Agreement to enforce any right hereunder or to demand compliance with its terms is a waiver of any right hereunder. No action taken pursuant to this Agreement on one or more occasions is a waiver of any right hereunder nor would it constitute a course of dealing that modifies this Agreement. No waiver of any right or remedy under this Agreement shall be binding on any party unless it is in writing and is signed by the party to be charged. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given. No such waiver of any right or remedy under any term of this Agreement shall in any event be deemed to apply to any subsequent default under the same or any other term contained herein. No amendment, modification or termination of this Agreement shall be binding on any party hereto unless it is in writing and is signed by the party to be charged. Any amendment, modification or termination of this Agreement may be executed by facsimile or .pdf signature and a facsimile or .pdf signature shall constitute an original for all purposes.

**C. Validity of Agreement.** If any term or provision set forth in this Agreement is held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances, other than those to which it is held invalid or unenforceable, shall be construed in all respects as if such invalid or unenforceable term or provision were omitted.

**D. Conflicts.** In the event of a conflict between this Agreement and any other agreement between Broker and Pledgor, the terms of this Agreement will prevail. Regardless of any





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provision in any such agreement, the State of New York shall be deemed to be Broker's location for the purposes of this Agreement.

**E. Persons Bound by Agreement.** The terms of this Agreement shall be binding upon Pledgor, Pledgor's heirs and personal representatives, and Broker and its successors and assigns, and shall inure to the benefit of Lender, its successors and any holder, owner or assignee of any rights in any of the Documents and will be enforceable by them as their respective interests may appear. All covenants and agreements of Pledgor shall be joint and several. Each Pledgor who executes this Agreement but does not execute the Note agrees that Lender and any other Pledgor who executes this Agreement may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Agreement, the Note, the Obligations, or any other Agreement without that Pledgor's consent and without releasing that Pledgor or modifying this Agreement as to that Pledgor's interest in the collateral or its obligations under this Agreement.

**F. Construction.** In this Agreement, words in the singular number include the plural, and in the plural include the singular; words of the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender may refer to any gender and the word "or" is disjunctive but not exclusive. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience. They do not define, limit or describe the scope or intent of the provisions of this Agreement.

**G. Notices.** Except for any notice required under applicable law to be given in another manner, any notice to a party provided in this Agreement may be given orally, by personally delivering it or by mailing such notice or sending such notice by recognized courier service to such party at the address provided by the other party or at such other address as such party may designate by notice to the other party as provided herein. A notice given by the Lender to the Securities Intermediary identifying a Default under this Agreement is a "**Default Notice.**" Default Notices may be given orally. Any notice provided for in this Agreement shall be deemed to have been given when delivered in the manner designated in this Section 21(G). Telephonic notices may be given by Lender to Pledgor under Section 2 and 17 above, if Lender elects to provide notices under those sections.

**H. Governing Law.** Except as provided in Section 1 above, THIS AGREEMENT SHALL BE CONSTRUED IN ALL RESPECTS IN ACCORDANCE WITH, AND GOVERNED BY, THE INTERNAL LAWS OF THE STATE OF NEW YORK without regard to conflicts of law provisions of New York state law other than § 5-1401 of the New York General Obligations Law, except to the extent that the perfection, the effect of perfection or nonperfection, and the priority of the security interest or remedies hereunder in respect of any particular collateral are governed by the laws of a jurisdiction other than the state of New York.

**I. Jurisdiction.** The Pledgor (and the Lender by its acceptance hereof) hereby irrevocably and unconditionally submit, for themselves and their respective property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Document, or for recognition or enforcement of any judgment, and the Pledgor (and the Lender by its acceptance hereof) hereby irrevocably and unconditionally agree that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. The Pledgor consents to the service of process of any and all process which may be served in any suit, action or proceeding by the mailing of copies of such process to the Pledgor at its address specified on the Account as of the date hereof. The Pledgor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Document shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document in the



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courts of any other jurisdiction.

**J. Venue.** The Pledgor irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document to which it is or is to be a party in any New York State or federal court. The Pledgor hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court.

**K. Waiver of Jury Trial.** THE PLEDGOR AND THE LENDER (BY ITS ACCEPTANCE HEREOF) HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT, DOCUMENT TO WHICH IT IS A PARTY, OR THE ACTIONS OF ANY INDEMNIFIED PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF OR THEREOF.

**L. Acceptance.** Notice of acceptance hereof by Lender is hereby waived by Pledgor and Broker.

**M. Counterparts/Execution.** This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing and delivering one or more counterparts. This Agreement may be executed by facsimile or .pdf signature and a facsimile or .pdf signature shall constitute an original for all purposes.

**N. Effective Date.** The "Effective Date" of this Agreement shall be the date of the Note. For avoidance of doubt, if the Debtor does not enter into the Loan or the Debtor enters into such Loan secured only by real property, this Agreement will terminate automatically without any action by any party.

IN WITNESS WHEREOF, the Pledgor has caused this Agreement to be executed as of the date first above written and acknowledge receipt of a copy of this Agreement.



Emma Mathison, as PLEDGOR

Date: 11/24/22



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CHICAGO TITLE  
COMPANY

## LEGAL DESCRIPTION

Order No.: 22GNW108198GU

For APN/Parcel ID(s): 02-21-221-014-0000

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THE WEST 1/2 OF LOT 5 IN BLOCK 13 IN ARTHUR T. MCINTOSH AND COMPANY'S PALATINE HILLS, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office