

ADJUSTABLE RATE FIRST MORTGAGE AND SECURITY AGREEMENT

S1169276

This is a Mortgage made as of the 20th day of May, 1988 between Harris Trust & Savings Bank as Trustee under a Trust Agreement dated April 8, 1988 and known as Trust No. 94120 ("Mortgagor") and North Bank, an Illinois banking corporation, 505 North Lake Shore Drive, Chicago, Illinois its successors and assigns, ("Mortgagee").

RECITALS

Unit X

Mortgagor is indebted to Mortgagee in the sum of Three Hundred thousand (\$300,000.00) Dollars, together with interest thereon, as evidenced by a note of even date herewith made by Mortgagor (the "Note") payable in accordance with the terms and conditions stated therein and due on May 20, 1991. The loan agreements contain provisions for possible adjustments in the interest rate and advances and readvances of credit. All advances and readvances extensions and renewals shall have the same priority as the original indebtedness.

(3)

THEREFORE, Mortgagor, in consideration of the indebtedness and to secure payment thereof and of all other sums that may now or hereafter become due under the terms of the Note, this mortgage or any document securing the Note (provided, however, the principal sum shall not exceed \$300,000.00) and to secure the performance of the terms, covenants and conditions contained herein or in the Note and to secure the prompt payment of any sums due under any renewal, extension or modification of the Note or of any note given in substitution thereof, (which renewal, extension, modification, or substitution shall not impair in any manner the validity or priority of this mortgage) does hereby grant, convey, warrant, sell, mortgage and assign to Mortgagee, its successors and assigns, all of the real estate legally described on Exhibit "A", which together with the following described property is sometimes herein referred to as the "premises":

- A. All right, title and interest of Mortgagor, including any after-acquired title or reversion, in and to the ways, streets, and alleys adjoining the premises;
- B. All estates, tenements, easements, appurtenances and privileges in any way now or hereafter appertaining.
- C. All buildings and improvements of every kind now or hereafter erected or placed on the premises and all materials intended for construction, reconstruction, alteration or repair of the improvements. All materials shall be deemed to be a part of the premises immediately upon delivery to the premises. The premises shall include all machinery, equipment,

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fixtures, furnishings, and personal property used or useful in the operation of the real estate, and all renewals or replacements thereof and substitutions therefor, whether or not the same are or shall be attached to the building or buildings in any manner. All the property owned by Mortgagor and placed on the premises or used in connection with the operation or maintenance of the premises shall, so far as permitted by law, be deemed to form a part of the real estate and for the purpose of this mortgage to be real estate and covered by this mortgage. As to any property which does not form a part of the real estate or does not constitute a "fixture" (as such term is defined in the Uniform Commercial Code), this mortgage is hereby deemed to be a security agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property which Mortgagor hereby grants to the Mortgagee as Secured Party, (as such term is defined in the Uniform Commercial Code).

To have and to hold the premises hereby mortgaged and conveyed unto Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, free from all rights and benefits under the Homestead Exemption Laws of the State of Illinois, which rights and benefits Mortgagor does hereby expressly release and waive.

COVENANTS

1. Mortgagor covenants and agrees:
 - a. To pay, when due, all sums secured hereby without demand, counterclaim, offset, deduction or defense.
 - b. To keep the premises in good condition and repair and not to commit or permit waste thereon.
 - c. To repair, replace, restore or rebuild any portion of the premises which may become damaged, destroyed or demolished with replacement at least equal in quality and condition as existed, free from any security interest in, encumbrance on or reservation of title thereto.
 - d. To keep the buildings now and hereafter on the mortgaged premises and all insurable parts of the real estate insured, under a replacement cost form of insurance policy, against loss or damage by fire or other hazards as the Mortgagee may from time to time require in forms, with companies and in sums satisfactory to Mortgagee. All insurance policies shall be held by and be

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payable to Mortgagee as its interest may appear. At least fifteen (15) days before the expiration of each policy, Mortgagor shall deliver to Mortgagee a policy replacing the one expiring.

- e. Except to the extent money shall have been deposited and shall be available for payment of taxes under the succeeding provision of this paragraph, to pay, not less than ten (10) days before the same shall become delinquent or a penalty attaches thereto for non-payment, all taxes, assessments and charges of every nature which may be levied, assessed, charged or imposed on the premises, or any part thereof, and to pay when due any indebtedness which may be secured by a lien or charge on the premises, and, upon request by Mortgagee, to exhibit to Mortgagee satisfactory evidence of the payment and discharge of such lien or claim.

Upon request from Mortgagee, Mortgagor will thereafter pay to Mortgagee, on each date on which a payment is due under the Note, an amount equal to one-twelfth (1/12) of the amount Mortgagee may from time to time estimate will be required to pay (before the same become past due) all taxes, assessments and other governmental liens or charges against the property hereby mortgaged. Mortgagor shall procure and deliver to Mortgagee, in advance, statements for such charges. In the event of any default under the terms of this Mortgage, any part or all of the amounts paid by Mortgagee may be applied to the indebtedness secured hereby, and in refunding any part of such amounts, Mortgagee may deal with whomever is represented to be the owner of the premises at that time. No interest shall be payable on amounts deposited with Mortgagee under this provision, but until application by Mortgagee such amounts shall be deemed to be trust funds.

- f. To comply promptly with all statutes, ordinances, regulations, laws, conditions and restrictions which affect the mortgaged property, or its use, comply with all conditions and requirements necessary to preserve and extend all licenses, permits, privileges, franchises and concessions (including zoning variance, special exceptions and non-conforming uses) and not to permit the premises to be used for any unlawful purpose(s).

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- g. To execute and deliver upon demand of Mortgagee any and all instruments Mortgagee may deem appropriate to perfect, evidence, protect or facilitate the enforcement of the lien of this mortgage.
2. Mortgagor hereby assigns and transfers to Mortgagee all rents and profits due or to become due and all deposits of money as advanced rent, or for security, under all present and future leases or agreements for use or occupancy of the mortgaged premises, including those made by Mortgagee under powers herein granted, hereby absolutely transferring and assigning all such leases and agreements and all avails thereunder to Mortgagee as independent and separate security for payment of the Note and performance of the agreements contained in this mortgage.
3. Mortgagor hereby assigns and transfers unto Mortgagee, up to the amount of the indebtedness secured hereby, all awards of damages in connection with any taking or injury of the premises under power of eminent domain or acquisition for public or quasi-public use, and the proceeds of all awards after the payment of all expenses, including Mortgagee's attorney's fees, shall be paid to Mortgagee and Mortgagee is hereby authorized, on behalf and in the name of Mortgagor, to execute and deliver valid acquittances and to appeal from any such award.
4. All monies received by Mortgagee (a) under any policy of insurance, (b) from awards or damages in connection with any taking of or injury to the mortgaged property for public use or (c) from rents and income, may, at Mortgagee's option without notice, be used (i) towards the payment of the indebtedness secured hereby or any portion thereof whether or not yet due and payable and (ii) towards reimbursement of all costs, attorney's fees and expenses of Mortgagee in collecting the proceeds of the insurance policies or the awards. Any monies received by Mortgagee not used will be paid over to Mortgagor.
5. In the event of a default in the performance of any agreement of Mortgagor hereunder or under any other instrument given as security in connection with this transaction or in any payment provided for herein or in the Note, or if: (a) there is a default in any other mortgage affecting the premises for a period of thirty (30) days, (b) the mortgaged premises or any part thereof is attached, levied upon or seized, (c) any of the representations, warranties or statements of Mortgagor herein contained are incorrect or (d)

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Mortgagor abandons the mortgaged property, or sells or attempt to sell all or any part of or any interest in the premises, then and in any of such events, at Mortgagee's option, the whole amount hereby secured shall become immediately due and payable without notice or demand and this mortgage may be foreclosed accordingly. If the mortgaged property is abandoned, Mortgagee may take immediate possession thereof with or without foreclosure.

6. If any of Mortgagor's covenants or agreements herein contained are not performed, Mortgagee may, but need not, make any payment or perform any act required of Mortgagor, in any form and manner deemed expedient and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax or other lien, encumbrance, suit, or claim or redeem from any tax sale or forfeiture affecting the premises or contest any tax assessment. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorney's fees, and any other monies advanced by Mortgagee to protect the premises or the lien hereof shall be additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon as provided in the Note secured hereby.
7. In the event of foreclosure of this mortgage, Mortgagor shall pay all costs and attorney's fees which may be incurred by Mortgagee therein or in connection with any proceeding to which Mortgagee is a party by reason of this mortgage. Mortgagor will pay Mortgagee, in addition to other costs, a reasonable fee for title evidence prior to and after the filing of foreclosure and for the preparation of such foreclosure, together with all other expenses of foreclosure and sale, including expenses, fees and payments made to prevent or remove the imposition of liens or claims against the premises and expenses of upkeep and repair made in order to place the same in a condition to be sold.
8. Every maker or other person liable on the Note shall remain primarily bound (jointly and severally, if more than one) until the Note is fully paid, notwithstanding any sale or transfer of the mortgaged property. This instrument shall inure to the benefit of and bind the respective heirs, successors and assigns of the parties. Whenever used, the singular number shall include the plural, and the plural, the singular, and the use of any gender shall be

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applicable to all genders. The word Mortgagor shall include all persons claiming under or through Mortgagor and all persons liable for the payment of the indebtedness or any part thereof, whether or not such person shall have executed the Note or this mortgage.

9. No remedy or right of Mortgagee is exclusive, but is in addition to every other right or remedy herein conferred or now or hereafter existing by law. Each and every right, power and remedy may be exercised or enforced concurrently. No delay in the exercise of any of Mortgagee's rights shall preclude the subsequent exercise thereof and no waiver by Mortgagee of any default of Mortgagor shall operate as a waiver of subsequent defaults. Time is of the essence of all provisions of this Mortgage.
10. Any notice required by this mortgage or by law shall be sufficiently given if sent by certified mail, postage prepaid to the addresses of the respective parties set forth above. Notices shall be deemed received on the third business day following the date of mailing.
11. If Mortgagor transfers, conveys, or assigns or attempts to transfer, convey or assign title to all or any portion of the premises, or if all or any portion of the beneficial interest in any trust which may hold title to the premises (including a collateral assignment thereof) whether by operation of law, voluntarily, or otherwise is assigned, or if Mortgagor or any beneficiary of Mortgagor contracts to do any of the foregoing, Mortgagee, at its option, may accelerate the maturity of the Note causing the full principal balance, accrued interest, and prepayment premium, if any, to be immediately due and payable without notice to Mortgagor.

Any waiver by Mortgagee of the provisions of this paragraph shall not be deemed to be a waiver of the right of Mortgagee to insist upon strict compliance with the provisions of this paragraph in the future.

12. Upon full payment of all sums secured hereby, Mortgagee shall execute and deliver to Mortgagor a release of this mortgage to be recorded at Mortgagor's expense.
13. Mortgagor will not create, suffer or permit to be created or filed against the premises, any mortgage lien or other lien superior or inferior to the lien of this Mortgage. The Mortgagor may contest any lien claim arising from any work performed, material

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furnished, or obligations incurred by Mortgagor upon furnishing Mortgage security and indemnification satisfactory to Mortgagee for the final payment and discharge thereof. In the event Mortgagor shall suffer or permit any superior or junior lien to be attached to the premises, the Mortgagee, at its option, has the unqualified right to accelerate the maturity of the Note causing the full principal balance and accrued interest to be immediately due and payable without notice to Mortgagor.

14. If at any time the United States Government, or any federal, state, or municipal governmental subdivision, shall require revenue or other documentary stamps or tax hereon or on the Note secured hereby, then the indebtedness and accrued interest thereon shall be and become due and payable at the election of the Mortgagee thirty (30) days after the mailing of notice of the election to Mortgagor; provided, however, this mortgage and the Note shall be and remain in effect, if Mortgagor lawfully may pay for such stamps or such tax including interest and penalties thereon to or on behalf of Mortgagee and Mortgagor does pay for all stamps or tax, as the case may be, including interest penalties thereon.
15. In the event of the enactment, after this date, of any law of the state in which the premises are located deducting from the value of the land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the property, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder thereof, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor; provided however, that if, in the opinion of counsel for the Mortgagee, (a) it might be unlawful to require Mortgagor to make such payment or (b) the making of such payment might result in the imposition of interest beyond the maximum amount of permitted by law, then, and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable within sixty (60) days from the giving of such notice. Notwithstanding the foregoing, it is understood and agreed that Mortgagor is not obligated to pay any portion of Mortgagee's federal income tax.

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16. Neither Mortgagor nor any other person now or hereafter obligated for payment of all or any part of the sums now or hereafter secured by this Mortgage shall be relieved of such obligation by reason of the failure of Mortgagee to comply with any request of Mortgagor or of any other person so obligated to take action to foreclose on this Mortgage or otherwise enforce any provisions of the Mortgage or the Note or by reason of the release, regardless of consideration, of all or any part of the security held for the indebtedness secured by this mortgage, or by reason of any agreement or stipulation between any subsequent owner of the premises and Mortgagee extending the time of payment or modifying the terms of the mortgage or Note without first having obtained the consent of Mortgagor or such other person; and in the latter event, Mortgagor and all such other persons shall continue to be liable to make payments according to the terms of any such extension or modification agreement, unless expressly released and discharged in writing by Mortgagee. Mortgagee may release, regardless of consideration, any part of the security held for the indebtedness secured by this Mortgage without, as to the remainder of the security, in any way impairing or affecting the lien of this Mortgage or its priority over any subordinate lien.
17. Mortgagor hereby waives and releases:
- a. All errors, defects and imperfections in any proceeding instituted by Mortgagee under the Note or this Mortgage;
 - b. All benefits that might accrue to Mortgagor by virtue of any present or future law exempting the premises, or any part of the proceeds arising from any sale thereof, from attachment, levy or sale on execution, or providing for any stay of execution, exemption from civil process or extension of time for payment; and
 - c. Unless specifically required herein, all notices of Mortgagor's default or of Mortgagee's election to exercise, or Mortgagee's actual exercise of any option under the Note or this Mortgage.
18. Mortgagor waives any and all rights of redemption from the sale under any order or decree of foreclosure of this mortgage on Mortgagor's own behalf and on behalf of each and every person except judgment creditors of Mortgagor acquiring an interest in or title to the premises subsequent to the date of this mortgage.

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19. Time is of the essence of all provisions of this mortgage. All of the covenants of this mortgage shall run with the land.

20. The provisions of the attached rider are a part of this mortgage as if set forth verbatim.

IN WITNESS WHEREOF, Mortgagor, has executed this mortgage the day and year first above written.

This instrument is executed by Harris Trust & Savings Bank, not personally but solely as Trustee, as aforesaid. All the covenants and conditions to be performed hereunder by Harris Trust & Savings Bank are undertaken by it solely as Trustee, as aforesaid and not individually, and no personal liability shall be asserted or be enforceable against Harris Trust & Savings Bank by reason of any of the covenants, statements, representations or warranties contained in this instrument. Provided, however, that the trustee personally warrants that it possesses full power and authority to execute and deliver this mortgage.

Harris Trust & Savings Bank
as Trustee under Trust Number and not individually

By *[Signature]*
Its VICE PRESIDENT

ATTEST:

[Signature]
Its ASSISTANT SECRETARY

This instrument prepared by and upon recording should be returned to:

Anthony P. Janik, Esq.
ABRAMSON & FOX
One East Wacker Drive
Suite 3800
Chicago, Illinois 60601
(312) 644-8500



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[Handwritten signature]

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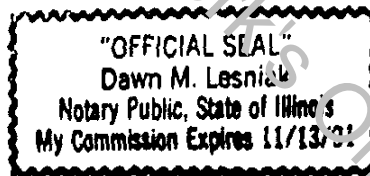
STATE OF Ill }
COUNTY OF Cook } SS.

I, DAWN M. LESNIAK a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that HERMAN A. KOLE, ~~Assistant~~ Vice President of the Harris Trust & Savings Bank, and JAMES J. PERNER, Assistant Secretary of said Bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Vice President and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered this instrument as their own free and voluntary act and as the free and voluntary act of the Bank, as Trustee as aforesaid, for the uses and purposes therein set forth; and the Assistant Secretary then and there acknowledged that he, as custodian of the corporate seal of the Bank, did affix the corporate seal of the Bank to this instrument as his own free and voluntary act and as the free and voluntary act of the Bank, as Trustee as aforesaid, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 23rd day of May, 1988.

Dawn M. Lesniak
Notary Public

Commission Expires: _____



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EXHIBIT A

PARCEL 1: UNIT 12B TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS IN 1410 NORTH STATE PARKWAY CONDOMINIUM AS DELINEATED AND DEFINED IN THE DECLARATION RECORDED AS DOCUMENT NUMBER 25784879, IN THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 34 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property Address: 1410 N. STATE PARKWAY, CHICAGO, IL.
P.I.N. 17-04-211-036-1020

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RIDER TO MORTGAGE

Dated May 20, 1988

Harris Trust & Savings Bank as Trustee under trust agreement
dated April 18, 1988 and known as Trust No. 44120
and North Bank

1. The Mortgage to which this Rider is attached (the "Mortgage") grants to Mortgagee a first mortgage lien on certain real estate described therein (the "mortgaged premises") to secure payment of the indebtedness evidenced by a note referred to in the Mortgage (the "Note"). The mortgaged premises are subject to a Declaration of Condominium recorded pursuant to the Condominium Property Act of the State of Illinois (the "Declaration" and the "Act", respectively) and reference is made to all applicable covenants, restrictions, rules, regulations or bylaws which affect the mortgaged premises or the rights and duties of the Mortgagor with respect thereto (the "Governing Provisions").

2. Mortgagor agrees that the following covenants shall supplement and be a part of the provisions of the Mortgage, and that the covenants of this Rider shall prevail over any conflicting provisions contained in the Mortgage:

A. The Mortgagor shall not, except with the prior written consent of the holders of the Note (a) vote for or consent to any modification of, amendment to or relaxation in the enforcement of any provision of the Declaration or the Governing Provisions; (b) in the event of damage to or destruction of the property of which the mortgaged premises are a part, vote in opposition to a motion to repair, restore or rebuild same; (c) waive any notice required to be given under the Declaration, Governing Provision or Act; (d) vote or consent in any case in which, under the Declaration, Governing Provisions or the Act, the unanimous consent or unanimous vote of the holders of condominium units is required; (e) institute any action or proceedings for partition of the property of which the mortgaged premises are a part; and (f) consent to or vote in favor of the termination of the mortgaged premises from the provisions of the Act or to any changes therein.

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B. It shall constitute a default under the Mortgage if the Manager, Board of Managers or Mortgagor fail to maintain in full force and effect a policy or policies of fire insurance, with extended coverage, vandalism and malicious mischief endorsements for the full insurable replacement value of the common elements and the units subject to the Declaration. Such policy or policies shall be written in the name of, and the proceeds thereof shall be payable to the Manager or Board of Managers, as trustee, for each of the unit owners in the percentages established in the Declaration, and to the respective mortgagees of the units owners, as their interest may appear. The Mortgagee and the holder of the Note shall, if the proceeds of insurance collectible by the Manager or Board of Managers are sufficient to repair or restore such common elements and units, permit the proceeds of such insurance affecting the mortgaged premises to be disbursed for the purpose of repairing or restoring the damage thereto. The policy or policies shall provide for separate protection for each unit and its attached, built-in or installed fixtures and equipment to the full insurable replacement value thereof, and with a separate loss payable endorsement in favor of the mortgagee. Each policy or policies may not be cancelled except upon 10 days' prior written notice to the holders of the Note and shall provide that the insurer shall waive any right to repair, rebuild or replace the mortgaged premises, in lieu of making a monetary settlement therefore, if a decision is made not to repair, reinstate, rebuild or restore the damage or destruction.

C. The Mortgagor shall pay when due all payments to the maintenance and reserve funds and all assessments as required by or imposed pursuant to the Declaration or Governing Provisions (and shall upon written request, furnish to the Mortgagee or holders of the Note duplicate receipts therefore), and shall keep and perform each and every covenant, agreement and provision to which the Mortgagor is subject under the Act, Declaration and Governing Provisions and shall promptly deliver to the Trustee or holders of the Note a full and correct copy of each and every notice of default received by the Mortgagor with respect to such payments, covenants, agreements and provisions. In the event of Mortgagor's default as described above, the Trustee or Holders of the Note may, but need not, make any payment (relying on any bill, statement or estimate without inquiry into the accuracy thereof), or perform any act and shall be authorized to enter upon the mortgaged premises for this purpose.

D. Mortgagor agrees to perform and abide by the covenants contained herein as well as the covenants contained in the Mortgage, and further agrees that any breach of the covenants contained herein shall be a breach of the covenants contained in the mortgage and shall entitle the mortgagee and the holders of the Note to all of the rights and remedies, including acceleration of the unpaid principal balance of the Note.