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**MORTGAGE, ASSIGNMENT OF RENTS & SECURITY AGREEMENT (CHATTEL MORTGAGE)**

THIS MORTGAGE ("Security Instrument") is given on May 7, 1993, by Richard E. Kahan and Stacy L. Kahan, his wife ("Mortgagor"). This Security Instrument is given to Mid Town Bank and Trust Company of Chicago, which is organized and existing under the laws of the State of Illinois, and whose address is 2021 North Clark Street, Chicago, Illinois 60614 ("Lender"). Mortgagor is justly indebted to Lender in the principal sum of ONE HUNDRED NINETY TWO THOUSAND AND 00/100 Dollars (U.S. \$192,000.00), which indebtedness is evidenced by a certain note dated of even date herewith ("Note"), which Note provides for payments of the indebtedness as set forth below:

**Interest**

Borrower promises and agrees to pay to Lender interest on the unpaid principal balance evidenced by this Note at the following rate: FOUR percent (4%) per annum. The interest rate will change in accordance with the Adjustable Rate Rider attached hereto and by this reference made a part hereof.

Interest shall be computed on the basis of a 360-day year.

**Term**

This Note shall be due and payable in full on the maturity date which shall be JUNE 1, 1996 (the "Maturity Date").

**Required Payments**

Principal and interest payments in the amount of NINE HUNDRED SIXTEEN AND 64/100 (\$916.64) (based on a thirty (30) year amortization) shall be due and payable monthly beginning JULY 1, 1993 and on that day each month thereafter until all of said outstanding principal plus any remaining accrued interest and late charges, if any, are repaid in full.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under any paragraph herein to protect the security of this Security Instrument; and (c) the performance of Mortgagor's covenants and agreements under this Security Instrument and the Note and all other documents and agreements entered into in connection therewith (the "Loan Documents"). For this purpose, Mortgagor does hereby mortgage, grant and convey to Lender the following described property located in COOK County, Illinois:

**Rate Change Provision**

The rate stated above is a special rate offered by Lender to Borrower on the strict condition that the Borrower maintain a checking account with Lender which will be automatically debited for payments due under the loan. If Borrower fails to maintain an account with a sufficient balance when needed to be debited automatically for each payment, when due, then, at Lender's option, the interest rate will increase one-half percent (0.50%) per annum, and such increase will be effective as of the first day of the month preceding the month in which a payment is not automatically debited.

Borrower shall have no obligation to maintain a checking account with Lender or to continue with the automatic debiting of the account. At any time Borrower may instruct Lender to close such checking account or discontinue the automatic debiting of such account; provided, however, that if the interest rate is automatically increased as herein provided (whether on account of a default or voluntary action of the Borrower), Lender shall have no obligation to reinstate the lower interest rate if the Borrower cures any default or later requests reinstatement of the automatic debiting procedure.

If the Initial Interest Rate is increased, the amount of each remaining monthly installment will be higher than the amount stated in the "Required Payments" paragraph above.

SEE EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF

which has the address of 1925 NORTH MAUD, CHICAGO, Illinois 60614 ("Property Address"); which, with the property hereinafter described, is referred to herein as the "Premises",

TOGETHER with all improvements, fixtures and personal property thereto belonging, for so long and during all such times as Mortgagor, its successors or assigns may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), and all apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light power, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing), screens, window shades, storm doors and windows, floor coverings, inador beds, awnings, stoves and water heaters. All of the foregoing (collectively referred to herein as the "Improvements") are declared to be a part of said real estate whether physically attached thereto or not, and it is agreed that all similar apparatus, equipment, or articles hereafter placed in the Premises by Mortgagor, its successors or assigns shall be considered as constituting part of the real estate.

TOGETHER with all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditament and appurtenances whatsoever, in any way now or hereafter belonging, relating or appertaining to the Land, and the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, in and to the same;

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adaptable.

to cover additional interest and penalties whenever lender deems such an increase

concerned tax, including interest and penalties, and shall increase such deposit

Paragraph 7 hereof, is sufficient, in lender's judgment, to pay in full such

when added to the monies or other security, if any, deposited with lender pursuant

in writing designate, a sum of money or other security acceptable to lender that,

Kortagor has deposited with lender, at such place as lender may from time to time

and

the same before any tax has been increased by any interest, penalties, or costs,

Kortagor has notified lender in writing of the intention of Kortagor to contest

(the same)

or forfeiture of the premises or any part thereof or interest therein to satisfy

Such contest shall prevent the collection of the taxes so contested and the sale

amount of any such taxes, provided:

Kortagor may, in good faith and with reasonable diligence, contest the validity or

request, furnish to lender, its successors or assigns duplicate receipts therefor.

special taxes, special assessments, water charges, sewer service charges, and other

charges against the premises (collectively "Taxes") when due, and shall, upon written

Kortagor shall pay, before any penalty attaches, all general taxes, and shall pay

## ARTICLE 10

leases approved by lender.

against the premises, other than use restrictions contained or provided for in

granting of any easements, licenses, covenants, conditions, or declarations of use

unlawful use of, or nuisance to exist upon, the premises, or

contingent restriction with respect to the premises;

premises);

change in the identity of the person or firm responsible for managing the

change in the intended use of the premises;

permitted or required to be made by the terms of any leases approved by lender;

material alterations of the premises except as required by law or except as

consent of lender, Kortagor shall not cause, suffer, or permit any

cause the premises to be managed in a competent manner. Without the prior written

any conditions necessary to preserve and defend all rights that are applicable to the

comply with any restrictions of record with respect to the premises, and comply with

or other hazard to the improvements;

retain from any action and correct any condition which would increase the risk of fire

comply with all requirements of law or municipal ordinances with respect to the

premises and the use thereof;

set forth in any other loan document;

complete within a reasonable time any building or buildings now or at any time in

process of erection upon said premises, or at lender's election, within the time period

discharge of such prior loan to the holder of the Note);

pay when due any indebtedness which may be secured by a lien or charge on the premises

superior to the lien hereof, and upon request exhibit satisfactory evidence of the

mechanisms or other liens or claims for lien not expressly subordinated to the lien

keep said premises in good condition and repair, without waste, and free from

promptly repair, restore or rebuild any buildings or improvements now or hereafter on

the premises which may become damaged or be destroyed;

Maintenance, repair, compliance with law, etc. Kortagor, its successors or assigns shall:

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

PROVIDED, NEVERTHELESS, that if Kortagor shall pay in full when due the indebtedness and

shall timely perform and observe all of the provisions herein and in the Note provided to be

performed and observed by the Kortagor, then this security instrument and the interest of lender

in the premises shall cease and become void, but shall otherwise remain in full force.

NONFORFEITURE COVENANTS that it is lawfully seized of the land, and that it has lawful authority

to mortgage the same, and that it will warrant and defend the land and the quiet and peaceful

possession of the same against the lawful claims of all persons whomsoever.

TO HAVE AND TO HOLD the premises, unto the lender, its successors and assigns, forever, for

the purposes herein set forth together with all right to possession of the premises after the

occurrence of any default as hereinafter defined, the Kortagor hereby REINVESTING AND MAINTAINING all

rights under and by virtue of the homestead exemption laws of the State of Illinois.

NOTWITHSTANDING all proceeds of the foregoing, including without limitation all judgments,

awards of damages and settlements hereafter made resulting from condemnation proceeds or the

taking of the premises or any portion thereof under the power of eminent domain, any proceeds of

any policies of insurance, maintained with respect to the premises or proceeds of any sale,

option or contract to sell the premises or any portion thereof.

TOGETHER with all income from the premises to be applied against the indebtedness, provided,

however, that Kortagor may, so long as no default has occurred hereunder, collect income and

other benefits as it becomes due, but not more than one (1) month in advance thereof;

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If Mortgagor fails to prosecute such contest with reasonable diligence or fails to maintain sufficient funds on deposit as hereinabove provided, Lender may, at its option, apply the monies and liquidate any securities deposited with Lender, in payment of, or on account of, such Taxes, or any portion thereof then unpaid, including all penalties and interest thereon. If the amount of the money and any such security so deposited is insufficient for the payment in full of such Taxes, together with all penalties and interest thereon, Mortgagor shall forthwith, upon demand, either deposit with Lender a sum that, when added to such funds then on deposit, is sufficient to make such payment in full, or, if Lender has applied funds on deposit on account of such Taxes, restore such deposit to an amount satisfactory to Lender. Provided that Mortgagor is not then in default hereunder, Lender shall, upon Mortgagor's written request, after final disposition of such contest and upon Mortgagor's delivery to Lender of an official bill for such Taxes, apply the money so deposited in full payment of such Taxes or that part thereof then unpaid, together with penalties and interest thereon.

C. Insurance

1. **Insurance Coverage.** Mortgagor will insure the Premises against such perils and hazards, and in such amounts and with such limits, as Lender may from time to time require, and in any event will continuously maintain the following described policies of insurance (the "Insurance Policies"):
  - a. Casualty insurance against loss and damage by all risks of physical loss or damage, including fire, windstorm, flood, earthquake and other risks covered by the so-called extended coverage endorsement in amounts not less than the full insurable replacement value of all Improvements, fixtures and equipment from time to time on the Premises and bearing a replacement cost agreed amount endorsement;
  - b. Comprehensive public liability against death, bodily injury and property damage with such limits as Lender may require;
  - c. Rental or business interruption insurance in amounts sufficient to pay, for a period of up to one (1) year, all amounts required to be paid by Mortgagor pursuant to the Note and this Security Instrument, if applicable;
  - d. Steam boiler, machinery and pressurized vessel insurance, if applicable;
  - e. If the Federal Insurance Administration (FIA) has designated the Premises to be in a special flood hazard area and designated the community in which the Premises are located eligible for sale of subsidized insurance, first and second layer flood insurance when and as available; and
  - f. The types and amounts of coverage as are customarily maintained by owners or operators of like properties.

D. Insurance Policies. All Insurance Policies shall be in form, companies and amounts reasonably satisfactory to Lender. All Insurance Policies shall:

1. include, when available, non-contributing mortgage endorsements in favor of and with loss payable to Lender,
2. include standard waiver of subrogation endorsements,
3. provide that the coverage shall not be terminated or materially modified without thirty (30) days' advance written notice to Lender and
4. provide that no claims shall be paid thereunder without ten (10) days' advance written notice to Lender. Mortgagor will deliver all Insurance Policies premium prepaid, to Lender and will deliver renewal or replacement policies at least thirty (30) days prior to the date of expiration of any policy.

E. Defaults and Acceleration

1. Mortgagor shall pay each item of indebtedness herein mentioned, both principal and/or interest, when due according to the terms hereof. At the option of the holders of the Note and without notice to Mortgagor, all unpaid indebtedness secured by this Security Instrument shall, notwithstanding anything on the Note or in this Security Instrument to the contrary, become due and payable:
  - a. within fifteen (15) days in the case of default in making payment of any installment of principal or interest on the Note, or
  - b. when default shall occur and continue for fifteen (15) days following the date of mailing of written notice of such default to Borrower in the performance of any other agreement of the Mortgagor herein contained, said option to be exercised at any time after the expiration of said fifteen day period, or
  - c. in the event Mortgagor or any other obligor default under any other document given by any of them to secure the obligations hereby secured or under the loan commitment of Lender and any and all revisions, modifications, and extensions thereto (the "Loan Commitment"), the provisions of which are incorporated herein by reference (the foregoing events are herein referred to as "Defaults").
2. Notwithstanding anything in the Note or Security Instrument to the contrary, the death of Mortgagor and/or all guarantors of the indebtedness herein mentioned shall be a default in the performance of an agreement of the Mortgagor hereunder and the holder of the Note shall be entitled to all rights and remedies given in the Security Instrument in the event of default in the performance of any agreement of the Mortgagor contained therein.
3. In the event that the holder of the Note shall, in good faith, deem itself insecure, the holder of the Note shall have the right to declare the loan evidenced by the Note to be in default and to accelerate the installments of principal and/or interest due hereunder.

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L. Assignment of Rents

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1. To further secure the indebtedness secured hereby, Mortgagor does hereby sell, assign and transfer unto the Lender all the rents, issues and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the Premises or any part hereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by the Lender under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all of such leases and agreements, and all the avails thereunder, unto the Lender, and Mortgagor does hereby appoint irrevocably the Lender its true and lawful attorney in its name and stead (with or without taking possession of the Premises) to rent, lease or let all or any portion of the Premises to any part or parties at such rental and upon such terms as said Lender shall, in its discretion, determine, and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, existing on the Premises, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as the Lender would have upon taking possession of the Premises.
2. The Mortgagor represents and agrees that no rent has been or will be paid by any person in possession of any portion of the Premises for more than two installments in advance, and that the payment of none of the rents to accrue for any portion of the Premises has been or will be waived, released, reduced, discounted, or otherwise discharged or compromised by the Mortgagor. The Mortgagor waives any rights or set off against any person in possession of any portion of the Premises. Mortgagor agrees that it will not assign any of the rents or profits of the Premises, except to a purchaser or grantee of the Premises.
3. Nothing herein contained shall be construed as constituting the Lender as a mortgagee in possession in the absence of taking of actual possession of the Premises by the Lender. In the exercise of the powers herein granted the Lender, no liability shall be asserted or enforced against the Lender, all such liability being expressly waived and released by Lender.
4. The Mortgagor further agrees to assign and transfer to the Lender all future leases regarding all or any part of the Premises hereinbefore described and to execute and deliver, at the request of the Lender, all such further assurances and assignments in the Premises as the Lender shall from time to time require.
5. Although it is the intention of the parties that the assignment contained in this Section L shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that so long as Mortgagor is not in default hereunder or under the Note, it shall have the privilege of collecting and retaining the rents accruing under the leases assigned hereby, until such time as Lender shall elect to collect such rents pursuant to the terms and provisions of this Security Instrument.
6. The Lender shall not be obliged to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases, and the Mortgagor shall and does hereby agree to indemnify and hold the Lender harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should the Lender incur any such liability, loss or damage under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and the Mortgagor shall reimburse the Lender therefor immediately upon demand.

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M. Application of Rents. The Lender, in the exercise of the rights and powers hereinabove conferred upon it by Paragraph 11 hereof, shall have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as the Lender may determine:

1. To the payment of the operating expenses of the Premises, including cost of management and leasing thereof (which shall include reasonable compensation to the Lender and its agent or agents, if management be delegated to any agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;
2. To the payment of taxes and special assessments now due or which may hereafter become due on the Premises;
3. To the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterment, and improvements of the Premises, and of placing said property in such condition as will, in the judgment of the Lender, make it readily rentable;
4. To the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

to the full extent permitted by law, to further secure the payment of said principal sum of money and interest thereon, Mortgagor agrees to deposit with the holders of the Note each and every month, commencing on the first payment date, until the indebtedness hereby secured shall have been fully paid. An amount equal to one-twelfth of 1% of the annual real estate taxes, special assessment levies and property insurance premiums (hereinafter referred to as "funds"), said funds shall be held by the holders of the Note in accordance with the terms and provisions of this paragraph without any allowance of interest, and may be applied by said holder toward payment of taxes, special assessment levies and insurance premiums when due, but the holders of the Note shall be under no obligation to ascertain the correctness of or to obtain the tax, special assessment levies or insurance bills, or attend to the payment thereof. If the funds so deposited exceed the amount required to pay such taxes, assessment (general and special) and/or insurance premiums for any year, the excess shall be applied on a subsequent deposit or deposits. Mortgagor acknowledges that the sum so deposited shall create a debtor-creditor relationship only and shall not be considered to be held by the holders of the Note in trust and that the holders of the Note shall not be considered to have consented to act as the Mortgagor's agent for the payment of such taxes, levies and premiums. In the event of a default in any of the provisions contained in this security instrument or in the Note secured hereby, the holder of the Note may at their option, without being required to do so, apply any monies at the time of deposit on any of the Mortgagor's obligations herein or in the Note contained in such order and manner as the holders of the Note may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the mortgaged premises.

**1. In determining whether or not to make the loan secured hereby, Lender examined the creditworthiness of Mortgagor and/or Mortgagor's beneficiary or guarantors (if applicable); found the same to be acceptable and relied upon same as the basis of repayment of the loan. Lender also evaluated the background and experience of Mortgagor and/or its beneficiary or guarantor (if applicable) in owning and operating property such as the premises, found the same to be acceptable and relied upon same as the basis of maintaining the value of the premises. It is recognized that Lender is entitled to keep its own books at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan the security for which is purchased by a party other than the original Mortgagor and/or its beneficiary (if applicable). Mortgagor and/or its beneficiary (if applicable) further recognize that any proceeds or junior financing placed upon the premises, or the beneficiary interest of beneficiary in Mortgagor's may divert funds which would otherwise be used to pay the Note secured hereby. Lender in accordance with the foregoing and for the purposes of:**

- a. allowing Lender to raise the interest rate and/or collect assumption fees; and keeping the premises and the beneficiary interest (if applicable) free of subordinate financing liens, beneficiary (if applicable) and Mortgagor agree that if this paragraph be deemed a restraint on alienation, that it is a reasonable one and that any sale, conveyance assignment, or other encumbrance or other transfer of title to the premises or any interest therein (whether voluntary or by operation of law) without the Lender's prior written consent shall be an event of default hereunder. For the purpose of, and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events shall be deemed to be an unpermitted transfer of title to the premises and therefore an event of default hereunder:
  - (1) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, all or any part of the title to the premises or the beneficial interest or power of disposition under the trust agreement with the Mortgagor, (if applicable);
  - (2) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, any share of stock of the Mortgagor, (if a corporation) or indirectly controlling such beneficiary corporation;
  - (3) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, any general partnership (herein called the "partnership") which is the Mortgagor or the beneficiary or the Mortgagor or the beneficiary under the trust agreement with the Mortgagor;
  - (4) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, any share of stock of any corporation directly or indirectly controlling such partnership.

Impair Lender's right to accept a deed in lieu of foreclosure, as a foreclosure by Lender would be necessary to clear the title of the premises.

- a. protecting Lender's security, both of repayment of the indebtedness and of value of the premises;
- b. giving Lender the full benefit of its bargain and contract with Mortgagor and/or beneficiary (if applicable) and Mortgagor;
- c. allowing Lender to raise the interest rate and/or collect assumption fees; and keeping the premises and the beneficiary interest (if applicable) free of subordinate financing liens, beneficiary (if applicable) and Mortgagor agree that if this paragraph be deemed a restraint on alienation, that it is a reasonable one and that any sale, conveyance assignment, or other encumbrance or other transfer of title to the premises or any interest therein (whether voluntary or by operation of law) without the Lender's prior written consent shall be an event of default hereunder. For the purpose of, and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events shall be deemed to be an unpermitted transfer of title to the premises and therefore an event of default hereunder:
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  - (4) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, any share of stock of any corporation directly or indirectly controlling such partnership.

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- Q. **Future Advances.** This Security Instrument is given to secure a revolving credit loan and shall secure not only the existing indebtedness, but also such future advances, whether such advances are obligatory or to be made at the option of the Lender, or otherwise, as are made within twenty years from the date hereof, to the same extent as if such future advances were made on the date of execution of this Security Instrument, although there may be no advance made at the time of execution of this Security Instrument, and although there may be no indebtedness outstanding at the time any advance is made. The total amount of indebtedness that is secured hereby may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed a maximum principal amount of the Note, plus interest thereof, and any disbursements made for the payment of taxes, special assessments, or insurance on the Premises, with interest on such disbursements (all such indebtedness being hereinafter referred to as the "maximum amount secured hereby"). This Security Instrument is intended to and shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting from solely taxes and assessments levied on the Premises, to the extent of the maximum amount secured hereby.
- R. **Occupancy Requirement.** The Premises are to be occupied by Mortgagor or Mortgagor's Beneficiary during the entire term of the loan and any and all extensions or modifications thereof and, if this requirement is not met, the holders of the Note shall be entitled to all rights and remedies given in this Security Instrument in the event of default in the performance of any agreement of the Mortgagor contained herein.
- S. **Rider.** The Rider or Riders attached hereto, if any, is(are) hereby made a part hereof.

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

**MORTGAGOR**  
*[Signature]*  
 RICHARD E. KAHAN  
*[Signature]*  
 STACY L. KAHAN

93387209

STATE OF ILLINOIS )  
 COUNTY OF COOK )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Richard E. Kahan and Stacy L. Kahan, his wife personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 1st day of MAY, 1993.

*[Signature]*  
 Notary Public

My commission expires:

Mail To:

THIS INSTRUMENT WAS PREPARED

BY: Leslie J. Marshall

MID TOWN BANK AND TRUST COMPANY OF CHICAGO  
 2021 NORTH CLARK STREET  
 CHICAGO, ILLINOIS 60614



BOX 333

POSTER

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ADJUSTABLE RATE RIDER 09

This Rider is made this 7th day of May 1993, and is incorporated into and shall be deemed to amend and supplement the note/mortgage dated of even date herewith, given by the undersigned (herein "Mortgagor") to secure Borrower's Note to Mid Town Bank and Trust Company of Chicago ("Lender") covering the property described in the Mortgage and located at 1925 North Maud, Chicago, Illinois 60614 ("Premises").

In addition to the covenants and agreements made in the Mortgage, Mortgagor and Lender further covenant and agree as follows:

## Rate Change Provisions:

- (i) **Change Dates:** The interest rate may change on August 1, 1994 and on that day every year thereafter. Each date on which the interest rate can change is called a "Change Date".
- (ii) **Effective Date of Changes:** The new interest rate will become effective on each Change Date.
- (iii) **The Index:** Beginning with the first Change Date, the interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of ONE (1) year as published by the Federal Reserve Board. The most recent Index figure published as of the date forty-five (45) days before each Change Date is called the "Current Index".  

If the Index is no longer published, the holder of the Note will choose a new index which is based upon comparable information. The holder of the Note will give the Maker notice of this choice. Subject to the conditions of this paragraph, the interest rate on this Note shall first be increased or decreased on the Change Date so that the interest rate hereon is the sum of TWO AND THREE QUARTERS percent (2.75%) (the "Margin") plus the current Index value, which is rounded up to the next highest one-eighth of one percentage point. This rounded amount will be the new interest rate until the next Change Date. The holder of the Note will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal balance of the loan (based on a thirty (30) year declining amortization schedule) at the new interest rate in substantially equal payments. The result of this calculation is called the "Full Monthly Payment Amount" and it will be the new amount of the monthly payment.
- (iv) **Required Full Monthly Payment Amount:** Beginning with the first monthly payment after each Change Date, the Maker will pay the current Full Monthly Payment Amount as the monthly payment.
- (v) **Interest Rate "Caps":** Any change in the interest rate effective on any Change Date shall be in increments of one-eighth of one percentage point. Any change in the interest rate effective on any Change Date shall not exceed TWO percentage points (2.00%) up from the interest rate effective on the immediately preceding Change Date. The maximum interest rate which may be imposed by the holder of the Note shall not exceed TEN percent (10.00%) per annum (the initial interest rate plus SIX percentage points (6.00%)) and the minimum interest rate which may be imposed shall not be less than FOUR percent (4.00%) per annum (the initial interest rate).
- (vi) The principal and interest payment stated herein of NINE HUNDRED SIXTEEN AND 64/100 (\$916.64) Dollars will be payable until the earlier of the first Change Date or the date on which the Note is fully paid.
- (vii) From and after the occurrence of (a) any default in the payment of interest when due in accordance with the terms hereof, (b) a Default (as herein defined) under the Note, or (c) the Maturity Date (as defined in the Note) of the Note, whether by acceleration or otherwise, interest shall accrue on the amount of the principal balance outstanding hereunder at the Default Rate. The Default Rate shall be equal to The Default Rate shall be ten percentage points (10.00%) (the "margin") over the Prime Rate of interest per annum. For purposes of this Note the "Prime Rate" shall mean the prime rate of interest as announced from time to time in the Money Rate Section of the Wall Street Journal. The rate may vary daily with changes in the Prime Interest Rate and each day with changes in your outstanding daily balance. ; interest accruing at the Default Rate shall be payable on demand.

  
RICHARD E. KAHAN

  
STACY L. KAHAN

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IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Court at Chicago, Illinois, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Clerk of the Court

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## CHICAGO TITLE INSURANCE COMPANY

ORDER NUMBER: 1401 007432302 NA  
STREET ADDRESS: 1925 NORTH MAUD  
CITY: CHICAGO COUNTY: COOK  
TAX NUMBER: 14-32-400-072-1001

### LEGAL DESCRIPTION:

UNIT NUMBER G-1 OF THE SEMINARY/MAUD TOWNHOMES CONDOMINIUM ASSOCIATION AS DELINATED ON SURVEY OF THE FOLLOWING DESCRIBED PARCELS OF REAL ESTATE (HEREINAFTER REFERRED TO COLLECTIVELY AS "PARCEL"):

LOTS 90, 91 AND 92 (EXCEPT THE NORTHEASTERLY 20.33 FEET) IN WEBSTER SUBDIVISION OF LOT 3 AND THE NORTH PART OF LOT 2 IN BLOCK 9 IN SHEFFIELDS ADDITION TO CHICAGO IN SECTION 32, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM OWNERSHIP AND OF EASEMENTS, RESTRICTIONS, COVENANTS AND BY-LAWS FOR THE SEMINARY/MAUD TOWNHOMES CONDOMINIUM ASSOCIATION MADE BY LAIS VIEW TRUST AND SAVINGS BANK, AS TRUSTEE UNDER TRUST AGREEMENT DATED MAY 29, 1987 AND KNOWN AS TRUST NUMBER 7332 AND RECORDED ON AUGUST 5, 1988 IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS AS DOCUMENT 87433488 TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE PARCEL (EXCEPTING FROM THE PARCEL ALL OF THE PROPERTY AND SPACE COMPRISING ALL UNITS AS DEFINED AND SET FORTH IN THE DECLARATION AND SURVEY) IN COOK COUNTY, ILLINOIS

93387209



