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

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THIS MORTGAGE ("Security Instrument") is given on February 10, 1994, by Pablo DeLeon and Michelle DeLeon Ricci, husband and 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 Forty-Two Thousand and 00/100 (\$142,000.00) Dollars, 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: 6.2% per annum.

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

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 1.0% 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.

If the Initial Interest Rate is increased, the amount of each remaining Monthly Installment will be higher than the amount stated herein.

Term

The Note shall be due and payable in full on the maturity date which shall be March 1, 2001 (the "Maturity Date").

Required Payments

Principal and interest payments in the amount of \$869.71 (based on a 30 year amortization) shall be due and payable monthly beginning April 1, 1994 and on that day each month thereafter until maturity or 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:

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

which has the address of 2212 West Homer Street, Chicago, Illinois 60647 ("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 unit or centrally controlled), and ventilation, including (without restricting the foregoing), screens, window shades, storm doors and windows, floor coverings, indoor 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;

TOGETHER with all income from the Premises to be applied against the Indebtedness, provided, however, that Mortgagor 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;

TOGETHER with all proceeds of the foregoing, including without limitation all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings 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,

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If Mortgagor fails to prosecute such contention before the date of final payment of funds on deposit as hereinabove provided, Lender may, at its option, apply the amounts and liquidate any securities deposited with Lender, in payment of, or on account of, such taxes and any portion thereto then unpaid, including all penalties and interest thereon, if the amount of the money and any such deposit held by Lender for the payment in full of such taxes, together with all penalties accrued by Lender on such deposit, is less than the amount of the taxes so paid.

c. Mortgagor has deposited with Lender, at such place as Lender may from time to time in writing designate, a sum of money or other security acceptable to Lender to the same extent as personalty deposited with Lender.

b. Mortgagor has not filed Lender in writing of the intention of Mortgagor to contest the same before any tax has been increased by any Interests, or costs,

1. Mortgagor shall pay, before any penalty attaible, special assessments, water service charges, sewer service charges, and other charges against the taxes, special assessments, water charges, sewer service charges, and other charges against the taxes, all general taxes, and shall pay or forgive the collection of the penalties or any part thereof, or interest thereon to the extent to satisfy a. such concrete abatements provided:

c. change in the identity of the person or extra responsible for managing the premises;
d. zoning regulation with respect to the premises;
e. unlawful use of, or nuisance to exist upon, the premises; or
f. squatting or slab occupation with respect to the premises;

1. **Main intention**, Repair, Rebuild, Restore or Redesign any building or asbestos shingles.

2. Promptly repair, replace or remove damaged or deteriorated roof or foundation now or hereafter on the premises which may be caused by wind, water, ice, snow, fire, explosion, lightning, or other causes.

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

PROVIDED, NEVERTHLESS, that it is Mortgagor shall pay in full when due the indebtedness and shall timely perform and observe all of the provisions hereinafter set forth, but shall otherwise remain in force.

BORROWER COVENANTS that it is lawfully seized of the Land, and that it has lawful authority to do all the acts mentioned in the agreement.

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 Mortgagor hereby RELEASING AND WAIVING all rights under and by virtue of the homestead exemption Law of the state of Illinois.

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

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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.

2. 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 mortgages 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.

F. Foreclosure

1. When indebtedness hereby secured shall become due whether by acceleration or otherwise, holders of the Note shall have the right to foreclose the lien hereof in accordance with the Illinois Mortgage Foreclosure Act, Ill. Rev. Stat. ch. 110, para. 15-1101, et seq. (1987) (the "Act"). In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Lender, it's successor or assigns for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Lender, it's successor or assigns may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at a rate equivalent to the post maturity rate set forth in the Note secured by this Security Instrument, if any, otherwise the prematurity rate set forth therein, when paid or incurred by Lender, it's successor or assigns in connection with:
 - a. any proceeding, including probate and bankruptcy proceedings, to which any of them shall be a party, either as plaintiff, claimant or defendant, by reason of this Security Instrument or any indebtedness hereby secured; or
 - b. preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or

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1. In determining whether or not to make the loan secured hereby, Lender examined the credit-worthiness of Mortgagor and/or Mortgagee, a beneficiary or guarantor(s) (the applicable), found the same to be acceptable and relied and concluded to rely upon same as the means of repayment of the loan.

Depositors of taxes and insurance premiums. 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 at with the holder of the Note every month, commencing on the first payment date, until the indebtedness hereby created shall have been fully paid, an amount equal to one-twelfth of 110% of the annual real estate taxes, special assessments of insurance companies with the terms and provisions of this paragraph without holding over to the Notee in accordance with the terms hereinafter referred to as "Funds". Said Funds shall be held by the Notee and deposited to the account of the Note holder under no obligation when due, but the Note holder may be appellee in any action of interest, and may be liable to the Notee for any amount exceeding the amount required to pay such taxes, or attened to the payment thereof. If the funds so deposited exceed the amount required to pay such taxes, or be carried over to the next assessment period, the Note holder shall be liable for the amount so carried over to the Notee, and may be liable to the Notee for any amount deposited for any year, the excess shall be applied on a subsequent deposit and/or insurance premiums for any year, or otherwise than the Notee may require.

Lennder, a Rightsholder of Inspection. Lennder, it's successor or assignee shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.

Upon, or at any time after the filing of a bill to foreclose that
Securitity instrument, the court in which such bill is filed may be either before or after sale, without notice to such
parties. Such appointment may be made either before or after sale, without notice to such
parties. Such solventy of a mortgage at the time of apportionment for a bill to foreclose that
secular and without regard to the value of the premises or whether the same shall be
apprehended as a homestead or not and render, it is successor of assurgans hereunder may be
then occupied as a such receiver shall have power to collect the rents, leases and
protection of said premises during the period of redemption, whether there be
and a deficiency, the period of such receivership of the premises shall be limited to a
redemption, or such receiver may be entitled to collect the rents, leases and
interventio of such receiver, would be entitled to collect such rents, leases and
and all other powers which may be necessary or are usual in such cases for the protection,
possession, correction, management or be necessary or are usual in such cases for the protection,
permitted, the court from time to time may authorize the receiver to apply the whole of said
hands in payment of any taxes, assessments, arrears of rent, or other charges
decree forcing sale in part or in whole or by any other means, or any tax, special assessment or
any security interest which may be subject to any defense whatever, or by any
court of any province shall not be good and
available to the party plaintiff same as in an action at law upon the note hereby secured.

c. Preparations for the defense of any suit for the forcible seizure hereof after accrual
d. of such right to forcibly seize whether or not actually commenced; or
e. affect the premises or the security hereof, whether or not actually commenced.

2. The proceeds of any forcible seizure shall be distributed and apportioned
in the following order of priority: First, on account of all costs and expenses
incidental to the forcible seizure proceedings, including items as follows:
the preparation of papers, fees, lodgment of writs under the same
consisting partly of legal expenses and partly of expenses
intercepting the execution of the writs, including the same
expenses incurred by the sheriff in executing the same
and any other expenses of the party prevailing in the suit.

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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 and continues to rely upon same as the means of maintaining the value of the Premises which is Lender's security for the loan. It is recognized that Lender is entitled to keep its own portfolio 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 secondary or junior financing placed upon the Premises, or the beneficial interest of beneficiary in Mortgagor:

- a. may divert funds which would otherwise be used to pay the Note secured hereby;
- b. could result in acceleration and foreclosure by any such junior encumbrancer which would force Lender to take measures and incur expenses to protect its security;
- c. would detract from the value of the Premises should Lender come into possession thereof with the intention of selling same; and
- d. 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.

2. In accordance with the foregoing and for the purposes of:

- 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
- d. keeping the Premises and the beneficial interest (if applicable) free of subordinate financing liens, beneficiary (if appropriate) 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, further 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 direction 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 the corporation which is the beneficiary or one of the beneficiaries under the trust agreement with the Mortgagor, or of any corporation directly 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 interest of the limited partnership or general partnership (herein called the "Partnership") which is the Mortgagor or the beneficiary or one of the beneficiaries 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.

Any consent by the Lender, or any waiver of an event of default, under this Paragraph shall not constitute a consent to, or waiver of any right, remedy or power of Lender upon a subsequent event of default under this Paragraph.

L. Assignment of Rents

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.

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envisioned by Mortgagor, Mortgagor agrees that it is currently in compliance with, and covenantants that it will continue to comply with, all laws, rules, regulations, and ordinances of the state of California, and of the city, county, and other political subdivisions of California, and of the federal government, and of all governmental agencies, departments, and commissions, and of all public authorities, and of all other persons, firms, corporations, and associations having jurisdiction over the property, and that it will not do anything which would violate or conflict with any such laws, rules, regulations, and ordinances, or any such governmental agency, department, commission, or authority, or any such person, firm, corporation, or association.

APPENDIX C. **APPENDIX C. Application of Rentes.** 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 same and projectts of the Premises to the Lender or to account of the Lender may determine:

1. To the payment of the operating expenses of the Premises, including cost of management and leasehold improvements (which shall include reasonable compensation to agents, and shall also include liability insurance and other compensation to any agent or to the Lender and lessees of the Premises for damages, if any, and for recurring tenant expenses arising out of the Premises), except as above 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, decorations, renewals, replacements, alterations, additions, betterments, and improvements of the Premises, and of Plaintiff's property in such condition, well, in the judgment of the Lender, make it reasonably rentable;

4. To the payment of any indebtedness hereby or any deficiency which may result from any foreclosure sale.

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 not be liable for damage which it may or might incur under leases of and from any under tenant and of and from any other person under lease or by reason of the assignment thereof and of and from any claim or demand whatsoever which may be asserted against it by reason of any alleged omissions or non-observance of whatsoever which may be agreed upon in the terms, conditions or agreements on its part to perform or discharge any obligation or arrangement or understanding concerning or relating to the lease or leases of any real property, or any other property, or any interest therein, or any liability, loss or damage under lease or by reason of any claim or demand, or any costs, expenses and reasonable attorney's fees, shall be secured hereby, and the Lender shall render the same to the mortgagor whenever the amount thereof is paid to the Lender.

Although it is the function of the parties that the assigment contained in this section I shall be a present assignment, it is expressly understood and agreed,

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the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note. Mortgagor acknowledges that the Premises do not constitute agricultural real estate as defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act.

P. **Miscellaneous.** This Security Instrument shall be construed under Illinois law. If any provisions hereof are invalid under Illinois law, such invalidity shall not affect the validity of the rest of the Security Instrument and Rider, if any.

1. At all times, regardless of whether any loan proceeds have been disbursed, this Security Instrument secures as part of the indebtedness hereby secured the payment of any and all loan commissions, service charges, liquidated damages, attorneys' fees, expenses and advances due to or incurred by Lender, its successors or assigns in accordance with the Note, this Security Instrument and the said Loan Commitment; provided, however, that in no event shall the total amount of the indebtedness hereby secured, including loan proceeds disbursed plus any additional charges, exceed 500% of the face amount of the Note.
2. Lender, its successors or assigns shall prepare the release of this Security Instrument and the lien thereon by proper instrument upon presentation of satisfactory evidence that all indebtedness secured by this Security Instrument has been fully paid, including the cost of the preparation of the release. Mortgagor shall be responsible for the recording of said release and all charges relating thereto.
3. This Security Instrument and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part hereof, whether or not such persons shall have executed the Note or this Security Instrument. The word "Note" when used in this instrument shall be construed to mean "Notes" when more than one note is used.
4. Mortgagor and Lender acknowledge and agree that in no event shall Lender be deemed to be a partner or joint venturer with Mortgagor or any beneficiary of Mortgagor. Without limitation of the foregoing, Lender shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Security Instrument or pursuant to any other instrument or document evidencing or securing any of the indebtedness secured hereby, or otherwise.

Q. **Future Advances.** This Security Instrument is given to secure a nonrevolving 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 thereon, 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. **Business Loan.** The proceeds of the loan secured by this Security Instrument will be used for the purpose specified in Paragraph 6404 (l)(c) of Chapter 17 of the Illinois Revised Statutes (1981); the loan secured hereby constitutes a business loan within the meaning of said Section and that, accordingly, the loan secured hereby is exempt from the Illinois usury requirements.

S. **Security Agreement**

1. This Security Instrument shall be deemed a Security Agreement as defined in the Illinois Commercial Code. This Security Instrument creates a security interest in favor of Lender in all property including all personal property, fixtures and goods affecting property either referred to or described herein or in anyway connected with the use or enjoyment of the Premises. The remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be:
 - a. as prescribed herein, or
 - b. by general law, or
 - c. as to such part of the security which is also reflected in any Financing Statement filed to perfect the security interest herein created, by the specific statutory consequences now or hereinafter enacted and specified in the Illinois Commercial Code, all at Lender's sole election. Mortgagor and Lender agree that the filing of such a Financing Statement in the records normally having to do with personal property shall never be construed as in anyway derogating from or impairing this declaration and the hereby stated intention of the parties hereto, that everything used in connection with the production of income from the Premises and/or adapted for use therein and/or which is described or reflected in this Security Instrument is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether
 - (1) any such items is physically attached to the improvements,
 - (2) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with the Lender, or
 - (3) any such item is referred to or reflected in any such Financing Statement of
 - (a) the right in or the proceeds of any fire and/or hazard insurance policy, or
 - (b) any award in eminent domain proceedings for a taking or for loss of value, or
 - (c) the debtor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the property mortgaged hereby, whether pursuant to lease or otherwise, shall never be construed as in anyway altering any of the rights of Lender as determined by this instrument or impugning the priority of

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1, the under-signed, a Notary Public, do solemnly swear and affirm for the State of Baden County, in the presence of the persons named above, before me to be the same

STATE OF ILLINOIS)
COUNTY OF COOK)
)

MICHELLE DELLEON RLC03
PABLO DELLEON
MORTAGOR

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

Blade. The blade or rudder attached hereunto, if any, is (are) hereby made a part hereof.

Exhibit B, attached hereto and hereby made a part hereof.

2. Notwithstanding the above-mentioned, the Mortgagor conveys that so long as any balance remains unpaid on the Note, it will execute (or cause to be executed) and deliver to Lender, such renewal certificates, affidavits, extensions or other documentation in proper form so as to keep perfect the lien created by any Security Agreement and financing statement given to Lender by Mortgagor, and to keep and maintain the same in full force and effect until the entire principal indebtedness and all interests to accrue thereunder has been paid in full.

the Lender's letter granted or by any other recorded document, but such mention in the financing statement is declared to be for the protection of the Securitization Trustee only.

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EXHIBIT "M"

LEGAL DESCRIPTION:

LOT 34 IN BLOCK 3 IN PIERCE'S ADDITION TO HOLSTEIN IN THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER:

14-31-302-038

PROPERTY COMMONLY KNOWN AS:

2212 WEST HOMER STREET, CHICAGO, ILLINOIS 60647

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Property of Cook County Clerk's Office

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EXHIBIT "B"

YIELD MAINTENANCE PROGRAM

1. THE ORIGINAL LOAN AMOUNT CAN BE PREPAID UP TO 20%, OR \$28,400.00, PER ANNUM WITHOUT A FEE. IF THIS OPTION IS NOT EXERCISED, THEN THE FEE AT TIME OF PREPAYMENT WILL BE FIGURED ON THE OUTSTANDING PRINCIPAL BALANCE.
2. YIELD MAINTENANCE WILL NOT APPLY IN THE CASE OF A SALE TO A THIRD PARTY.

AT THE TIME OF ANY PREPAYMENT OF PRINCIPAL, OTHER THAN THE 20% ALLOWABLE, MID TOWN BANK WILL ASSESS A FEE DETERMINED AS FOLLOWS:

INTEREST RATE ON NOTE AT TIME OF PREPAYMENT
(IF YOUR NOTE HAS AN ADJUSTABLE RATE MAY BE DIFFERENT THAN ORIGINAL RATE.)

AVAILABLE REINVESTMENT TO NOTE MATURITY AT TIME OF REPAYMENT:

WALL STREET JOURNAL'S PUBLISHED YIELD FOR U.S.
TREASURY MATURING (maturity date of mortgage)

DIFFERENCE
(IF DIFFERENCE IS -0-, OR A NEGATIVE NUMBER, NO ADDITIONAL FUNDS WOULD BE ASSESSED.)

FORMULA:

PRINCIPAL PREPAYMENT X DIFFERENCE X DAYS TO MATURITY (30-DAY MOS.) = YIELD MAINTENANCE FEE
360

• MINUS ALLOWABLE 20% ANNUAL PREPAYMENT

EXAMPLE (NOT PARTICULAR TO YOUR LOAN):

ORIGINAL LOAN AMOUNT (\$40,000.00 PER YEAR ALLOWABLE PREPAYMENT)	\$200,000.00
PRINCIPAL PREPAYMENT	\$180,000.00
ALLOWABLE 20% ANNUAL PREPAYMENT	40,000.00
DIFFERENCE	\$140,000.00
RATE ON NOTE	10.0%
TREASURY YIELD TO MATURITY OF MORTGAGE AT TIME OF PREPAYMENT	NT 9.0%
DIFFERENCE	1.0%
<u>\$140,000</u> X <u>1.000%</u> X <u>720</u>	= <u>\$2,800.00</u>

NOTE: THE YIELD MAINTENANCE PROGRAM IS SEPARATE FROM, AND FIGURED APART FROM, ANY ADJUSTMENT IN RATE THAT YOUR NOTE MAY (OR MAY NOT) BE SUBJECT TO.

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