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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 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.

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 laws of the State of Illinois.

BORROWER 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.

PROVIDED, NEVERTHELESS, that if Mortgagor 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 Mortgagor, then this Security Instrument and the interest of Lender in the Premises shall cease and become void, but shall otherwise remain in full force.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

- A. Maintenance, Repairs, Compliance with Law, etc.** Mortgagor, its successors or assigns shall:
1. promptly repair, restore or rebuild any buildings or improvement now or hereafter on the Premises which may become damaged or be destroyed;
 2. keep said Premises in good condition and repair, without waste, and free from mechanic's or other liens or claims for lien not expressly subordinated to the lien hereof;
 3. 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 discharge of such prior lien to the holder of the Note;
 4. 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 set forth in any other Loan Document;
 5. comply with all requirements of law or municipal ordinances with respect to the Premises and the use thereof;
 6. refrain from any action and correct any condition which would increase the risk of fire or other hazard to the Improvements;
 7. comply with any restrictions of record with respect to the Premises; and comply with any conditions necessary to preserve and extend all rights that are applicable to the Premises; and
 8. cause the Premises to be managed in a competent manner. Without the prior written consent of Lender, Mortgagor shall not cause, suffer, or permit any
 - a. material alterations of the Premises except as required by law or except as permitted or required to be made by the terms of any leases approved by Lender;
 - b. change in the intended use of the Premises;
 - c. change in the identity of the person or firm responsible for managing the Premises;
 - d. zoning reclassification with respect to the Premises;
 - e. unlawful use of, or nuisance to exist upon, the Premises; or
 - f. granting of any easements, licenses, covenants, conditions or declarations of use against the Premises, other than use restrictions contained or provided for in leases approved by Lender.
- B. TAXES**
1. Mortgagor shall pay, before any penalty attaches, all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the Premises (collectively "Taxes") when due and shall, upon written request, furnish to Lender, its successors or assigns duplicate receipts therefor.
 2. Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any such Taxes, provided:
 - a. Such contest shall prevent the collection of the Taxes so contested and the sale or forfeiture of the Premises or any part thereof or interest thereon to satisfy the same;
 - b. Mortgagor has notified Lender in writing of the intention of Mortgagor to contest the same before any Tax has been increased by any interest, penalties, or costs, and
 - 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 that, when added to the monies or other security, if any, deposited with Lender pursuant to Section J hereof, is sufficient, in Lender's judgment, to pay in full such contested Tax, including interest and penalties, and shall increase such deposit to cover additional interest and penalties whenever Lender deems such an increase advisable.

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

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TOGETHER WITH ALL IMPROVEMENTS, FIXTURES AND PERSONAL PROPERTY THEREON BELONGING, FOR SO LONG AND DURING ALL SUCH TIMES AS MORTGAGOR, ITS SUCCESSORS OR ASSIGNS MAY BE ENTITLED THEREON (WHICH ARE PLEDGED PRIMARILY AND ON A PARITY WITH SAID REAL ESTATE AND NOT SECONDARILY), AND ALL APPURTENANCES, EQUIPMENT OR ARTICLES NOW OR HEREAFTER THEREON OR HEREAFTER USED TO SUPPLY HEAT, GAS, AIR CONDITIONING, WATER, LIGHT POWER, REFRIGERATION (WHETHER SINGLE OR CENTRALIZED), CONTROLLED), AND VENTILATION, INCLUDING WITHOUT LIMITATION, FLOOR COVERINGS, TENDON BODS, SWINGS, WINDOW SHADERS, EXTERIOR DOORS AND WINDOWS, FLOOR COVERINGS, TENDON BODS, SWINGS, TILES, INTERESTS, PRIVILEGES, LIBERTIES, EASEMENTS, HEREDITAMENTS AND APPURTENANCES WHATSOEVER, IN ANY WAY NOW OR HEREAFTER BELONGING, RELATING OR APPERTAINING TO THE LAND, AND THE REVERSIONS, REMAINDERS, RESERVES, ISSUES AND PROFITS THEREOF, AND ALL THE ESTATE, RIGHTS, TITLE, INTEREST, PROPERTY, POSSESSION, CLAIM AND DEMAND WHATSOEVER, AT LAW AS WELL AS IN EQUITY, IN AND TO THE

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF WHICH HAS THE ADDRESS OF 1834 WEST WABANASKA, CHICAGO, ILLINOIS 60622 ("PROPERTY ADDRESS"), WHICH WITH THE PROPERTY HEREAFTER DESCRIBED, IS REFERRED TO HEREIN AS THE "PREMISES". TOGETHER WITH ALL IMPROVEMENTS, FIXTURES AND PERSONAL PROPERTY THEREON BELONGING, FOR SO LONG AND DURING ALL SUCH TIMES AS MORTGAGOR, ITS SUCCESSORS OR ASSIGNS MAY BE ENTITLED THEREON (WHICH ARE PLEDGED PRIMARILY AND ON A PARITY WITH SAID REAL ESTATE AND NOT SECONDARILY), AND ALL APPURTENANCES, EQUIPMENT OR ARTICLES NOW OR HEREAFTER THEREON OR HEREAFTER USED TO SUPPLY HEAT, GAS, AIR CONDITIONING, WATER, LIGHT POWER, REFRIGERATION (WHETHER SINGLE OR CENTRALIZED), CONTROLLED), AND VENTILATION, INCLUDING WITHOUT LIMITATION, FLOOR COVERINGS, TENDON BODS, SWINGS, TILES, INTERESTS, PRIVILEGES, LIBERTIES, EASEMENTS, HEREDITAMENTS AND APPURTENANCES WHATSOEVER, IN ANY WAY NOW OR HEREAFTER BELONGING, RELATING OR APPERTAINING TO THE LAND, AND THE REVERSIONS, REMAINDERS, RESERVES, ISSUES AND PROFITS THEREOF, AND ALL THE ESTATE, RIGHTS, TITLE, INTEREST, PROPERTY, POSSESSION, CLAIM AND DEMAND WHATSOEVER, AT LAW AS WELL AS IN EQUITY, IN AND TO THE

Principal and interest payments in the amount of \$1,688.45 (based on a fifteen year amortization) shall be due and payable monthly beginning January 15, 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.

The Note shall be due and payable in full on the maturity date which shall be December 15, 2002 (the "Maturity Date").

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.

THIS MORTGAGE ("SECURITY INSTRUMENT") IS GIVEN ON NOVEMBER 19, 1993, BY PHILIP R. BONALTO AND JULIE A. BONALTO, HIS WIFE, AND STEVEN M. MOGAY, A BACHELOR, ("MORTGAGOR"). THIS SECURITY INSTRUMENT IS GIVEN TO MIDTOWN 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 TWO THOUSAND THREE HUNDRED AND 00/100 DOLLARS (U.S. \$2,033,000.00), 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.

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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, its 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
 - c. preparations for the defense of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or
 - d. preparations for the defense of any threatened suit or proceeding which might affect the Premises or the security hereof, whether or not actually commenced.
2. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph thereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all interest remaining unpaid on the Note; fourth, all principal remaining unpaid on the Note; fifth, any surplus to Mortgagor, their heirs, legal representatives or assigns, as their rights may appear.
3. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note hereby secured.

Appointment of Receiver. Upon, or at any time after the filing of a bill to foreclose this Security Instrument, the court in which such bill is filed may appoint a receiver of said Premises. Such appointment may be made either before or after sale, without notice without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the value of the Premises or whether the same shall be then occupied as a homestead or not and Lender, its successor or assigns hereunder may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: The indebtedness secured hereby, or by any decree foreclosing this Security Instrument, or any tax, special assessment or other lien or of any provision hereof shall not be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note hereby secured.

Payments and Advances by Lender After Default.

1. In case of default therein, Lender, its successor or assigns may, but need not, make any payment or perform any act herein before 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 lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said Premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorney's fees, and any other moneys advanced by Lender, its successor or assigns protect the mortgaged Premises and the lien hereof, plus reasonable compensation to Lender for each matter concerning which action herein and 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 in the Note therein. Inaction of Lender, its successor or assigns shall never be considered as a waiver of any right accruing to them on account of any default hereunder on the part of Mortgagor.
2. The Lender, its successor or assigns making any payment hereby authorized relating to taxes or assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

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1. **Lender's Right of Inspection.** Lender, its successors or assigns shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

3. **Deposits 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 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 110% 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 holders 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 on insurance bills, or attend to the payment thereof. If the Funds so

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When indebtedness hereby secured shall become due whether by acceleration or otherwise, holder of the Note shall have the right to foreclose the lien hereon 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 hereon, 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, its successor or assigns for attorneys' fees, appraisers' 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, its 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

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.

In the event of default in the performance of any agreement of the Mortgage contained in the Note shall be entitled to all rights and remedies given in the Security Instrument of Mortgage and/or all guarantors of the indebtedness herein mentioned shall be a mortgagor and/or all guarantors of the Note or Security Instrument to the contrary, the death of mortgagor and/or any other obligor shall not constitute a 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 thereof (the "Loan Commitment"), the provisions of which are incorporated herein by reference (the foregoing events are herein referred to as "defaults").

Notwithstanding anything in the Note or Security Instrument to the contrary, the death of mortgagor and/or any other obligor shall not constitute a 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 thereof (the "Loan Commitment"), the provisions of which are incorporated herein by reference (the foregoing events are herein referred to as "defaults").

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Insurance Policies

Insurance Coverage

Insurance Coverage

Insurance Coverage

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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 4 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. 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.

M. Application of Rents. The Lender, in the exercise of the rights and powers hereinabove conferred upon it by Section 4, 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.

N. Environmental Matters. Mortgagor represents that it is currently in compliance with, and covenants and agrees that, it will manage and operate the Premises and will cause each tenant to occupy its demised portion of the Premises in compliance with, all federal, state and local laws, rules, regulations and ordinances regulating, without limitation, air pollution, soil and water pollution, and the use, generation, storage, handling or disposal of hazardous or toxic substances or other materials (including, without limitation, raw materials, products, supplies or wastes). Mortgagor further covenants and agrees that it shall not install or permit to be installed in the Premises asbestos or any substance containing asbestos and deemed hazardous by or in violation of federal, state or local laws, rules, regulations or orders respecting such material. Mortgagor shall send to Lender within five (5) days of receipt or completion thereof, any report, citation, notice or other writing including, without limitation, hazardous waste disposal manifests, by, to or from any governmental or quasi-governmental authority empowered to regulate or oversee any of the foregoing activities. Mortgagor shall remove from the Premises and dispose of any such hazardous or toxic substances or other materials in a manner consistent with and in compliance with applicable laws, rules, regulations and ordinances and shall take any and all other action to remedy, rectify, rehabilitate and correct any violation of any applicable law, rule, regulation or ordinance concerning toxic or hazardous substances or any violation of any agreement entered into between Mortgagor, Lender and/or any third party with respect to hazardous or toxic materials. Mortgagor agrees to indemnify, defend with counsel reasonably acceptable to Lender (at Mortgagor's sole cost) and hold Lender harmless against any claim, response or other costs, damages, liability or demand (including without

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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 power hereinafter granted, it being the intention hereby to establish an absolute transfer and assignment of all of such leases and agreements, and all the rents, issues and profits thereunder, unto the Lender, and Mortgagor does hereby appoint irrevocably the Lender the true and lawful attorney in the name and stead (with or without taking possession of the premises) to rent, lease or let all or any

Assignment of Rents

of default under this Paragraph. 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 indirectly controlling such Partnership.

- (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;
- (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 partnership or one of the beneficiaries under the trust agreement with the Mortgagor;
- (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;
- (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;

event of default hereunder; be deemed to be an unperfected transfer of title to the premises and therefore an preceding sentence, the occurrence at any time of any of the following events shall hereunder. For the purpose of, and without limiting the generality of, the 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 and that any sale, conveyance assignment, further encumbrance or other transfer of the premises shall be deemed a violation of the condition, that it is a reasonable one to keep the premises and the beneficial interest (if applicable) free of subordinate financing liens, mortgages, and Mortgagor's interest (if applicable) and allowing Lender to raise the interest rate and/or collect assumption fees, and beneficiary (if applicable), and Mortgagor;

- a. giving Lender the full benefit of its bargain and contract with Mortgagor and/or of the premises;
- a. protecting Lender's security, both of repayment of the indebtedness and of value in accordance with the foregoing and for the purposes of;
- d. Imperative Lender's right to accept a deed in lieu of foreclosure, as a foreclosure by the Lender with the intention of selling same; and
- c. would deduct from the value of the premises and incur expenses to protect its security;
- would force Lender to take measures and incur expenses by any such junior encumbrancer which could result in acceleration and foreclosure by any such junior encumbrancer which may divert funds which would otherwise be used to pay the Note secured hereby;

beneficial interest of beneficiary in Mortgage; or the Lender's interest in the premises, or the Lender's interest in any secondary or junior financing placed upon the premises, or the Lender's interest in any other than the original Mortgage and/or the further security for which it purchased by a party other than the original Mortgage and/or the Lender's interest in the premises, and/or increasing the interest rate on a loan the Lender's 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 which is Lender's security for the loan. It is recognized that Lender is entitled to and continues to rely upon same as the means of maintaining the value of the premises and operating property such as the premises, found the same to be acceptable and relied upon the Lender's and/or Mortgagor's beneficiary or guarantor (if applicable) in owning and operating property such as the premises, found the same to be acceptable and relied upon the Lender's and/or Mortgagor's beneficiary or guarantor (if applicable); found the same to be acceptable and relied upon same as the means of repayment of the loan. Lender also evaluated the background and credit-worthiness of Mortgagor and/or Mortgagor's beneficiary or guarantor (if applicable); found the same to be acceptable and relied upon same as the means of repayment of the loan.

Examination of Title

In determining whether or not to make the loan secured hereby, Lender examined the credit-worthiness of Mortgagor and/or Mortgagor's beneficiary or guarantor (if applicable); found the same to be acceptable and relied upon same as the means of repayment of the loan. Lender also evaluated the background and credit-worthiness of Mortgagor and/or Mortgagor's beneficiary or guarantor (if applicable); found the same to be acceptable and relied upon same as the means of repayment of the loan. Lender also evaluated the background and credit-worthiness of Mortgagor and/or Mortgagor's beneficiary or guarantor (if applicable); found the same to be acceptable and relied upon same as the means of repayment of the loan. Lender also evaluated the background and credit-worthiness of Mortgagor and/or Mortgagor's beneficiary or guarantor (if applicable); found the same to be acceptable and relied upon same as the means of repayment of the loan. Lender also evaluated the background and credit-worthiness of Mortgagor and/or Mortgagor's beneficiary or guarantor (if applicable); found the same to be acceptable and relied upon same as the means of repayment of the loan.

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8. 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:
- as prescribed herein, or
 - by general law, or
 - 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, 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:
 - any such item is physically attached to the improvements,
 - 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 instrument filed with the Lender, or
 - any such item is referred to or reflected in any such Financing Statement, of:
 - the right in or the proceeds of any fire and/or hazard insurance policy,
 - any award in eminent domain proceedings for a taking or for loss of value, or
 - 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 the Lender's lien granted or by any other recorded document, but such mention in the Financing Statement is declared to be for the protection of the Security Instrument in the event any court or judge shall at any time hold with respect to (a), (b) and (c) that notice of Lender's priority of interest to be effective against a particular class of persons, including, but not limited to, the Federal Government and any subdivisions or entity of the Federal Government, must be filed in the Commercial Code records.
2. Notwithstanding the aforesaid, the Mortgagor covenants and agrees 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, extension statements or other documentation in proper form so as to keep perfected 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 interest to accrue thereunder has been paid in full.

T. **Prepayment Premium** It is a condition of this Security Agreement that in the event of prepayment of the principal before maturity, Lender will be entitled to additional funds to maintain the expected yield of the mortgage over the anticipated term of the mortgage (see Exhibit "B" attached hereto and made a part hereof).

U. **Prior Mortgage** The Premises subject hereto is subject to a Prior Mortgage (the "Prior Mortgage") filed with the Recorder of Deeds of Cook County, Illinois on November 19, 1993 as document number 03059659 made by Philip H. Bonello, Julie A. Bonello and Steven M. Rogin to secure a note in the amount of \$180,000.00. Any default under the Prior Mortgage shall be considered a default hereunder, which default, notwithstanding anything contained to the contrary herein or contained in the Note which this Security Instrument secures, shall have the same grace period, if any, for curing defaults as set forth in the Prior Mortgage. This Security Instrument is subordinate and junior to the the Prior Mortgage.

V. **Other Security Instrument** The Note secured hereunder is also secured by another Security Instrument (the "Other Security Instrument") dated of even date herewith and filed with the Recorder of Deeds of Cook County, Illinois, on November 19, 1993, as document number 03059659 made by Philip H. Bonello and Julie A. Bonello conveying to Lender the property commonly known as 1628-34 North Hermitage, Chicago, Illinois. Any default under the Other Security Agreement shall constitute a default hereunder.

W. **Riders** The Rider on Riders attached hereto, if any, is (are) hereby made a part hereof.

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The proceeds of the loan secured by this Security Instrument will be used for the purpose specified in Paragraph 6.04 (j) of Chapter 17 of the Illinois Revised Statutes (1981) the loan secured hereby constitutes a purchase loan within the meaning of said Section and that, accordingly, the loan secured hereby is exempt from the Illinois usury requirements.

Future Advances. This Security Instrument is given to secure a non-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 on the date of execution of this Security Instrument, although there may be no advance made at that time or 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 distributions made for the payment of taxes, special assessments, or insurance on the premises, with interest on such distributions (all such indebtedness being hereinafter referred to as the "maximum amount secured hereby"). This Security Instrument is intended to 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.

Lender, its successors or assigns shall prepare the release of this Security Instrument and the therefor 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. Lender shall be responsible for the recording of said release and all charges relating thereto. 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 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. 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.

1. At all times, regardless of whether any loan proceeds have been disbursed, this Security Instrument shall secure 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 the 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 therefor 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. 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 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. 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.

3. The 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 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. 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.

4. Lender, its successors or assigns shall prepare the release of this Security Instrument and the therefor 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. 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 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. 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.

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DEC 23 11 03 05

COOK COUNTY, ILLINOIS
CLERK OF RECORD

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COOK COUNTY, ILLINOIS
FILED FOR RECORD
94 MAR -9 AM 11:27

94216594

BY: MARK BONELLO
MID TOWN BANK AND TRUST COMPANY OF CHICAGO
2021 NORTH CLARK STREET
CHICAGO, ILLINOIS 60614

THIS INSTRUMENT WAS PREPARED
DATE: 101

OFFICIAL SEAL
JUL E. BISHOP
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES JAN. 8, 1994

My commission expires:

Jul E. Bishop
Notary Public

Given under my hand and Notarial Seal this 19th day of November, 1993.

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify, that Philip M. Bonello and Julie M. Bonello, his wife, and Steven M. Rogin, a bachelor, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she/they signed and delivered the said instrument as his/her/their own free and voluntary act, for the uses and purposes therein set forth.

STATE OF ILLINOIS
COUNTY OF COOK

Philip M. Bonello
Julie M. Bonello
Steven M. Rogin

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

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Property of Cook County Clerk's Office

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STEVEN M. ROBIN
 JULIA M. BONALTO
 JULIA M. BONALTO

- (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 up or down 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 percent 8.775 per annum (the initial interest rate plus four percentage points and the minimum interest rate which may be imposed shall not be less than 8.775 per annum (the initial interest rate)).
- (vi) The principal and interest payments stated herein of \$1,888.45 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 term hereof, (b) a default (as herein defined) under the Note, or (c) the Maturity Date (as defined in 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 30.0% interest accruing at the Default Rate shall be payable on demand.

In addition to the covenants and agreements made in the Mortgage, Mortgagee and Lender further covenant and agree as follows:
 This Rider is made this November 19, 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 (hereinafter "Mortgagee") 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 1834 West Wabasha, Chicago, Illinois ("Premises").

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1834 West Wabasha, Chicago, Illinois
PROPERTY COMMONLY KNOWN AS

14-31-418-050

PERMANENT INDEX NUMBER

LOT 47 IN BLOCK 34 IN SHEPHERD'S ADDITION TO CHICAGO BEING A
SUBDIVISION OF THE SOUTHWEST 1/4 OF SECTION 29 AND THE SOUTH EAST
1/4 AND THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 31, ALL OF
SECTION 32, AND THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 33,
TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN,
IN COOK COUNTY, ILLINOIS

LEGAL DESCRIPTION

EXHIBIT "A"

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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.

$$\$140,000 \times 1.000\% \times 120 = \$2,800.00$$

ORIGINAL LOAN AMOUNT (\$40,000.00 PER YEAR ALLOWABLE PREPAYMENT)
 \$200,000.00
 PRINCIPAL PREPAYMENT
 \$180,000.00
 DIFFERENCE
 \$140,000.00
 RATE ON NOTE
 10.0%
 DIFFERENCE
 1.0%

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EXAMPLE (NOT PARTICULAR TO YOUR LOAN):

ORIGINAL PREPAYMENT X DIFFERENCE X DAYS TO MATURITY (30-DAY NOS.) = YIELD MAINTENANCE FEE
 360
 MINUS ALLOWABLE 20% ANNUAL PREPAYMENT

FORMULA:

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

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

AVAILABLE REINVESTMENT TO NOTE MATURITY AT TIME OF REPAYMENT

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

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

1. THE ORIGINAL LOAN AMOUNT CAN BE PREPAID UP TO 20%, OR \$40,500.00, 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.

YIELD MAINTENANCE PROGRAM

EXHIBIT "B"

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