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Credit Union Mortgage Service
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Merrillville, Ind. 46410

96477205

State of Illinois

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**COOK COUNTY
RECORDER
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BRIDGEVIEW OFFICE**

06/14/96

0008 MCH 12:06
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96477205 #
0008 MCH 12:06

MORTGAGE

(With Future Advance Clause)

- I. DATE AND PARTIES.** The date of this Mortgage (Security Instrument) is May 25, 1996 and the parties, their addresses and tax identification numbers, if required, are as follows:

MORTGAGOR:

~~William J. McClelland, III~~

LENDER: Tech Federal Credit Union
10951 Broadway
Crown Point, Indiana 46410

- 2. CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, sells, conveys, mortgages and warrants to Lender the following described property: Unit # 8-B in 1340 N. Dearborn Condominium as delineated on Survey of the following described Real Estate: Lots 7 & 8 & the North 19.9 ft. of L.9 in the Subdivision by John Borden & Others of L.15 (Except the N. 47 10/12 ft. thereof), in Bronson's Addition Chicago (Except from said premises the part thereof taken for Alley purposes) in S.4, T.39N-R 14E of the 3rd P.M., in Cook County, IL, which survey is attached as Exhibit 'A' to the Declaration of Condominium Recorded as Document Number 24,984,139 Together with its Undivided Percentage Interest in the Common Elements. Permanent Tax Number 104-068-1035X001X498

The property is located in **Cook** at **J-1014-217-000-1033**
(County)
1340 North Dearborn, Unit 8-B **Chicago** **Illinois 60610**
(Address) (City) (State and Zip Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, ditches, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now or at any time in the future, be part of the real estate described above (all referred to as "Property").

- 3. SECURED DEBT AND FUTURE ADVANCES.** The term "Secured Debt" is defined as follows:

A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(s) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. (When referencing the debts below it is suggested that you include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)

ILLINOIS - MORTGAGE (NOT FOR FNMA, FHLMC, FHA OR VA USE)

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inspecting the Property. Lender shall give Mortagagee notice at the time of or before an inspection specifying time for the purpose of Lender's agents may; a) Lender's option, enter the Property at any reasonable time for the purpose of

Mortagage, and of any loss or damage to the Property.

Lender's prior written consent. Mortagagee will notify Lender of all demands, proceedings, claims and actions against Lender's consent. Mortagagee will not permit any change in any lease, restrictive covenant or easement without written consent. Mortagagee agrees that the nature of the occupancy and use will not substantially change without Lender's prior agreement, or deterioration of the Property. Mortagagee will keep the Property free of noxious weeds and grasses, impairment, or repairs that are reasonably necessary. Mortagagee shall not commit or allow any waste, condition and make all repairs that are necessary to keep the Property in good

and this Security instrument is released.

7. DUE ON SALE OR ENCUMBRANCE. Lender may, at its option, declare the entire balance of the Secured Debt applicable. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full transfer or sale of the Property. This right is subject to the restrictions imposed by federal law (12 C.R. 591), as to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance,

Mortagagee agrees to assign to Lender, as required, any rights, claims or defenses Mortagagee may have against parties who supply labor or materials to maintain or improve the Property. Mortagagee will defend title to the Property against any claims that would impair the lien of this Security instrument. Mortagagee will defend copies of all notices that such amounts are due and receive payment to Lender copies relating to the Property when due. Lender may require Mortagagee to provide rents, utilities, and other charges relating to the Property when due. Lender may request to receive all payments when due and to perform or comply with all covenants, agreeable to the lien of this Security instrument.

8. PROPERTY CONDITIONS, ALTERATIONS AND INSPECTION. Mortagagee will keep the Property in good condition and make all repairs that are necessary to keep the Property in good condition.

9. CLAIMS AGAINST TITLE. Mortagagee will pay all taxes, assessments, liens, encumbrances, lease payments, rent, utilities, and other debts to Lender, as required, any advances under any note or

B. To promptly deliver to Lender any notices that Mortagagee receives from the holder.

A. To make all payments when due and to perform or comply with all covenants.

5. PRIOR SECURITY INTERESTS. With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortagagee agrees:

4. PAYMENTS. Mortagagee agrees that all payments under the Secured Debt will be paid when due in accordance with the terms of the Secured Debt and this Security instrument.

This Security instrument will not secure any other debt if Lender fails to give any required notice of the right of rescission.

D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced by Lender under

C. All obligations Mortagagee owes to Lender, which may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrawn relating to any deposit account agreement between Mortagagee and Lender.

B. All future advances from Lender to Mortagagee or other evidence of debt executed by Mortagagee in favor of Lender more than one person signs this Security instrument, each Mortagagee agrees that this Security instrument

Secured by this Security instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as of the date of this Security instrument. Nothing in this

Security instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.

Secured by this Security instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as of the date of this Security instrument. Nothing in this

Mortagagee, or any one or more Mortagagee and others. All future advances and other future obligations are secured by this Security instrument even though all or part may not yet be advanced. All future advances and

will secure all future advances and future obligations that are given to or incurred by any one or more

more than one person after this Security instrument whether or not this Security instrument is specifically referred to in the original instrument.

B. All future advances from Lender to Mortagagee or other evidence of debt executed by Mortagagee in favor of Lender

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reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

9. AUTHORITY TO PERFORM. If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

10. ASSIGNMENT OF LEASES AND RENTS. Mortgagor irrevocably grants, bargains, sells, conveys and warrants to Lender as additional security all the right, title and interest in and to any and all existing or future leases, subleases, and any other written or verbal agreements for the use and occupancy of any portion of the Property, including any extensions, renewals, modifications or substitutions of such agreements (all referred to as "Leases") and rents, issues and profits (all referred to as "Rents"). Mortgagor will promptly provide Lender with true and correct copies of all existing and future Leases. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default under the terms of this Security Instrument.

Mortgagor agrees that this assignment is immediately effective after default between the parties to this Security Instrument and effective as to third parties on the recording of the Security Instrument, and this assignment will remain effective during any period of redemption by the Mortgagor until the Secured Debt is satisfied. Mortgagor agrees that Lender may take actual possession of the property without the necessity of commencing legal action and that actual possession is deemed to occur when Lender, or its agent, notifies Mortgagor of default and demands that any tenant pay all future Rents directly to Lender. On receiving notice of default, Mortgagor will endorse and deliver to Lender any payment of Rents in Mortgagor's possession and will receive any Rents in trust for Lender and will not commingle the Rents with any other funds. Any amounts collected will be applied as provided in this Security Instrument. Mortgagor warrants that no default exists under the Leases or any applicable landlord/tenant law. Mortgagor also agrees to maintain and require any tenant to comply with the terms of the Leases and applicable law.

11. LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Mortgagor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

12. DEFAULT. Mortgagor will be in default if any party obligated on the Secured Debt fails to make payment when due. Mortgagor will be in default if a breach occurs under the terms of this Security Instrument or any other document executed for the purpose of creating, securing or guarantying the Secured Debt. A good faith belief by Lender that Lender at any time is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment or the value of the Property is impaired shall also constitute an event of default.

13. REMEDIES ON DEFAULT. In some instances, federal and state law will require Lender to provide Mortgagor with notice of the right to cure or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law if Mortgagor is in default. Upon default, Lender shall have the right, without declaring the whole indebtedness due and payable, to foreclose against all or part of the Property. This Mortgage shall continue as a lien on any part of the Property not sold on foreclosure.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the terms of the Secured Debt, this Security Instrument and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or

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(g) (10) (b) (6)(B)(d)

PROPERTY according to the terms of this Security Instrument.

17. INSURANCE. Mortgagor shall keep Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. If Mortgagor fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the coverage.

prior model; a page, decided or trust, security agreement of other item document.

CONDEMNATION. Mortgagor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor agrees to assign to Lender the proceeds of any award of any judgment or decree of a court of competent jurisdiction of all or any part of the Property. Such proceeds shall be considered payments and condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any

Hazardous Substance or the violation of any Environmental Law.

D. Mortgagor shall immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any

ENVIRONMENTAL LAW

C. Mortgagor shall immediately notify Lender if a release of encroached releases of a Hazardous Substance occurs on, under or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor shall take all necessary remedial action in accordance with any

begin, are, and shall remain in full computerize with any applicable Environmental Law;

B. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have

of the Property.

A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substances is or will be generated, stored or released on or in the Property. This restriction does not apply to small quantities of Hazardous Substances that are generated, stored or released in the ordinary course of business.

Mortgage representations, warranties and agreements shall

ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental law means, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), and all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or injunctions of interpreting the public health, safety, welfare, environmental or a hazardous substance; and (2) Hazardous Substances means any toxic, radioactive, explosive, corrosive, flammable or pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous materials," "toxic substances," "hazardous waste" or "hazardous substance" under any environmental law.

14. EXPENSES; ADVANCES ON COVENANTS; FEES; ATTORNEYS; COSTS; COLLECTION COSTS. Except when prohibited by law, Mortgagor agrees to pay all of Lender's expenses if Mortgagor breaches any covenant in this Security Instrument. Mortgagor will also pay on demand any amount incurred by Lender for insuring, inspeciting, preserving or otherwise protecting the Property and Lender's security interest. These expenses will bear interest from the date of the payment until paid in full at the highest interest rate in effect as provided in the terms of the Secured Debt. Mortgagor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing or protecting Lender's rights and remedies under this Security Instrument. This amount may include, but is not limited to, attorney's fees, court costs, and other legal expenses. This Security Instrument shall remain in effect until released. Lender agrees to pay any recordation costs of such release.

another, to reflect disastrous price corrections due to the need to bail out constituents in a timely fashion to prevent a collapse of any existing default. By not exercising any remedy on Morgan Stanley's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

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rights relating to the Property.

WAVES. Except to the extent prohibited by law, Mortgagor waives all appraisement and homestead exemption

writing. Notice to one mortgagee will be deemed to be notice to all mortgagees.

22. **NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in

21. APPROPRIATE LAW; SEVERABILITY; INTERPRETATION. This Security Instrument is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, or any amendment thereto, is ineffective to the extent it conflicts with applicable law or is ineffective. Unless a law expressly or implicitly permits the variations by written agreement, if any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and vice versa.

22. JOINT AND INDIVIDUAL LIBRARIES; CO-SIGNERS, SUCCESSIONS AND ASSIGNS ROUND. All duties under this Security Instrument are joint and individual. If Mortgagor signs this Security Instrument but does not sign an evidence of debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Mortgagor agrees that Lender and any party to this Security Instrument or any other instrument may exercise any right or remedy available to it under the terms of this Security Instrument or any other instrument, without notice to Mortgagor.

23. MORTGAGOR'S DUTIES. Mortgagor shall benefit from the terms of this Security Instrument. The duties and benefits of this Security Instrument shall bind Mortgagor from the time of this Security Instrument's creation. Such a change in the terms of this Security Instrument or any evidence of debt without Mortgagor's consent, will not release Mortgagor from the terms of this Security Instrument. The duties and benefits of this Security Instrument shall bind Mortgagor from the time of this Security Instrument's creation. Such a change in the terms of this Security Instrument or any evidence of debt without Mortgagor's consent, will not release Mortgagor from the terms of this Security Instrument.

19. FINANCIAL RECORDS AND ADDITIONAL DOCUMENTS: Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligation under this Security Instrument and Lender's lien status on the Property.

~~RESCINDING WILL, TAXES AND INSURANCE A FORM WHICH PROVIDED IN A SEPARATE SECTION, NOTIFICATION, THAT THE FUND WAS TO PAY FOR LANDER FUND FOR TAXES AND INSURANCE IN ESCROW.~~

To use the benefit of the Secured Debt immediately before the acquisition:

Unless otherwise agreed in writing, all insurance proceeds shall be applied to the restoration or repair of the property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of the scheduled payment nor change the amount of any payment. Any excess will be paid to the Mortgagor. If the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender.

All insurance policies and renewals shall be acceptable to Lennder and shall include a standard "mortgage clause" and, where applicable, "loss payable clause." Mortgagor shall immediately notify Lennder of cancellation or termination of the insurance. Mortgagor shall have the right to hold the policies and renewals. If Lennder requires, Mortgagor shall immediately give to Lennder all receipts of paid premiums and renewal notices. Upon loss, Mortgagor shall give immediate notice to the insurance carrier and Lennder. Lennder may make proof of loss if not made available by Mortgagor.

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24. MAXIMUM OBLIGATION LIMIT. The total principal amount secured by this Security Instrument at any one time shall not exceed \$....10,000.00..... . This limitation of amount does not include interest, attorneys fees, and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

25. OTHER TERMS. If checked, the following are applicable to this Security Instrument:

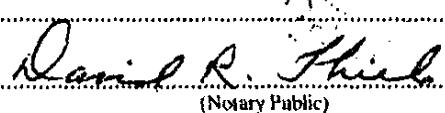
- Line of Credit.** The Secured Debt includes a revolving line of credit provision. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.
- Construction Loan.** This Security Instrument secures an obligation incurred for the construction of an improvement on the Property.
- Fixture Filing.** Mortgagor grants to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property. This Security Instrument suffices as a financing statement and any carbon, photographic or other reproduction may be filed of record for purposes of Article 9 of the Uniform Commercial Code.
- Riders.** The covenants and agreements of each of the riders checked below are incorporated into and supplement and amend the terms of this Security Instrument. [Check all applicable boxes]
 - Condominium Rider
 - Planned Unit Development Rider
 - Other.....
- Additional Terms.**

SIGNATURES: By signing below, Mortgagor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Mortgagor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

- If checked, refer to the attached Addendum incorporated herein, for additional Mortgagors, their signatures and acknowledgments.

5/25/96
(Signature) William J. McClelland, III (Date) (Signature) (Date)

ACKNOWLEDGMENT:

STATE OF ILLINOIS, COUNTY OF Cook J.S.
(Individual) This instrument was acknowledged before me this 25th day of May, 1996.....
by
My commission expires: 4/31/2000 
(Seal) (Notary Public)