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AFTER RECORDING RETURN TO:

Richard J. Feller
LaSalle Northwest National Bank
4747 W. Irving Park Road
Chicago, Illinois 60641

96853728

PERMANENT INDEX NUMBER:

17-10-214-011-1456

PROPERTY ADDRESS:

505 N. Lake Shore Drive
Unit 2902
Chicago, Illinois

. DEPT-01 RECORDING 463.00
. T40012 TRAN 3001 11/07/96 10:18:00
. 4004 CG *-96-853728
. COOK COUNTY RECORDER

~~* THIS IS NOT HOMEOWNER PROPERTY~~

MORTGAGE AND ASSIGNMENT OF RENTS AND LEASES

THIS MORTGAGE is given as of October 25, 1996 by PATRICIA L. SCHEAR, married to Edward Schear (the "Mortgagor") to LASALLE NORTHWEST NATIONAL BANK, a national banking association, which is organized and existing under the laws of United States of America, and whose principal office is located at 4747 W. Irving Park Road, Chicago, Illinois 60641 (the "Lender").

WHEREAS, Mortgagor and Edward Schear (collectively, the "Borrower") are justly indebted to Lender in the principal sum of Ninety Five Thousand Dollars (\$95,000), evidenced by that certain Note of Borrower of even date herewith, made payable to the order of and delivered to Lender, in and by which Note Borrower promises to pay the principal sum together with interest thereon prior to maturity or the occurrence of a Default at the rate of eight and one-half of one percent (8.50%) and following maturity or the occurrence of a Default at the rate of ten and one-half of one percent (10.50%) (the "Default Rate") (such note and any and all notes issued in renewal thereof or in substitution or replacement thereof are hereinafter referred to as the "Note").

WHEREAS, each installment shall be paid at such place as the holder of the Note may, from time to time, in writing appoint, and in the absence of such appointment, then at the office of LaSalle Northwest National Bank, 4747 W. Irving Park Road, Chicago, Illinois 60641.

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BOX 333-CTI

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WHEREAS, this Mortgage 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 paragraph 7 to protect the security of this Mortgage; and (c) the performance of covenants and agreements under this Mortgage and the Note. For this purpose, Mortgagor does hereby MORTGAGE, GRANT and CONVEY to Lender that certain property commonly known as 505 N. Lake Shore Drive, Unit 2902, Chicago, Illinois (the "Property Address"), located in Cook County, Illinois and as more particularly described on Exhibit A attached hereto;

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is referred to in this Mortgage as the "Property."

Mortgagor COVENANTS that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Mortgagor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrance of record.

UNIFORM COVENANTS. Mortgagor and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Mortgagor shall promptly pay or cause to be paid when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. If required by the Lender on the date the Mortgage is executed or any time thereafter and subject to applicable law, Mortgagor shall pay to Lender on the day regular payments are due under the Note, until the Note is paid in full, a sum (the "Funds") equal to such prior portion of: (a) yearly taxes and assessments which may attain priority over this Mortgage; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any, as the Lender may establish. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

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The Funds shall be held by the Lender and applied to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Mortgagor interest on the Funds and applicable law permits Lender to make such a charge. Mortgagor and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Mortgagor any interest or earnings on the Funds. Lender shall give to Mortgagor, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by the Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Mortgagor's option, either promptly repaid to Mortgagor or credited to Mortgagor on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Mortgagor shall pay to Lender any amount necessary to make up the deficiency in one or more payments required by Lender.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Mortgagor any Funds held by Lender. If under paragraph 20 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

4. Charges; Liens. Mortgagor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Mortgage, and leasehold payments or ground rents, if any. Mortgagor shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Mortgagor shall pay them on time directly to the person owed payment. Mortgagor shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Mortgagor makes these payments directly,

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Mortgagor shall promptly furnish to Lender receipts evidencing the payments.

Mortgagor shall promptly discharge any lien which has priority over this Mortgage unless Mortgagor: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Mortgage. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, Lender may give Mortgagor a notice identifying the lien. Mortgagor shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

Mortgagor shall indemnify, defend and hold harmless Lender from any and all costs, expenses, claims and liabilities in connection with any lien which is filed or recorded against the Property, including, without limitation, all attorneys' fees and expenses incurred by Lender as a result thereof.

5. Hazard Insurance. Mortgagor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. 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 Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause, Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Mortgagor shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Mortgagor.

Unless Lender and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and

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Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Mortgagor.

If Mortgagor abandons the Property, or does not answer within 30 days a notice from lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 20 the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to the acquisition.

6. Preservation and Maintenance of Property. Mortgagor shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Mortgage is on a leasehold, Mortgagor shall comply with the provisions of the lease, and if Mortgagor acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in Property. (a) If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), the Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

(b) Lender Disbursements. Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Mortgagor secured by this Mortgage. Unless Mortgagor and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Mortgagor requesting payment.

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(c) Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Mortgagor shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Mortgagor's and Lender's written agreement or applicable law.

(d) NOTICE OF LENDER'S RIGHT TO PURCHASE INSURANCE. Lender hereby notifies Mortgagor as follows:

NOTICE

Unless Mortgagor provides Lender with satisfactory evidence from time to time of the insurance coverage required by this Mortgage, Lender may (but need not) purchase insurance at Mortgagor's expense to protect Lender's interests in the Property. If Lender decides to purchase insurance due to Mortgagor's failure to provide satisfactory evidence of insurance, Lender's current procedure is to purchase insurance which covers only Lender's, and not Mortgagor's, interest in the Property. In such cases, any insurance coverage which Lender purchases will not protect Mortgagor's interests, and will not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the Property. Mortgagor may later cancel any insurance purchased by Lender, but only after providing Lender with satisfactory evidence that Mortgagor has obtained insurance as required by this Mortgage. If Lender purchases insurance for the Property, Mortgagor will be responsible for the costs of that insurance, including interest and any other charges Lender may impose as provided in subsection (b) above, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be more than the cost of insurance Mortgagor may be able to obtain independently even though the insurance Lender purchases may contain less coverage than the insurance Mortgagor could purchase independently.

8. Inspection. Lender or its agent may take reasonable entries upon and inspections of the Property. Lender shall give Mortgagor notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation

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or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Mortgagor. In the event of a partial taking of the Property, unless Mortgagor and Lender otherwise agree in writing, the sums secured by this Mortgage shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Mortgagor.

If the Property is abandoned by Mortgagor, or if, after notice by lender to Mortgagor that the condemnor offers to make an award or settle a claim for damages, Mortgagor fails to respond to Lender within thirty (30) days after the date of notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or the sums secured by this Mortgage, whether or not then due.

Unless Lender and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph 1 and 2 or change the amount of such payments.

10. Extensions of Time; Forbearance by Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of any one obligated under the Note shall not operate to release the liability of such person or such person's successors in interest. Lender shall not be required to commence proceedings against any successors in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original party obligated under the Note or such parties' successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lender and Mortgagor, subject to the provisions of paragraph 16. Mortgagor's covenants and agreements shall be joint and several. Any Mortgagor who signs this Mortgage but does not execute the Note: (a) is signing this Mortgage only to

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mortgage, grant and convey that Mortgagor's interest in the Property under the terms of this Mortgage; (b) is not personally obligated to pay the indebtedness evidenced by the Note or other sums secured by this Mortgage (unless Mortgagor has agreed to be obligated for such Note and/or other sums under a guaranty or other instrument); and (c) agrees that Lender and any other Mortgagor may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Note without that Mortgagor's consent.

12. Loan Charges. If the loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Mortgagor which exceeded permitted limits will be refunded to Mortgagor. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Mortgagor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by paragraph 20. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 16.

14. Notices. Any notice to Mortgagor provided for in this Mortgage shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Mortgagor designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Mortgagor. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Mortgage shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause in this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which

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can be given without the conflicting provision. To this end the provisions of this Mortgage and the Note are declared to be severable.

16. Transfer of the Property or a Beneficial Interest in Mortgagor. If all or any part of the Property or any interest in it is sold or transferred (or if the title to the Property is held by an Illinois Land Trust, and a beneficial interest therein is sold or transferred) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage.

If Lender exercises this option, Lender shall give Mortgagor notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Mortgagor must pay all sums secured by this Mortgage. If Mortgagor fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Mortgagor.

17. Mortgagor's Right to Reinstate. If Mortgagor meets certain conditions, Mortgagor shall have the right to have enforcement of this Mortgage discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that Mortgagor: (a) pays Lender all sums which then would be due under this Mortgage and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's rights in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by Mortgagor, this Mortgage and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 16.

18. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Mortgage) may be sold one or more times without prior notice to Mortgagor. A sale may result in a change in the entity known as the "Loan Servicer" that collects monthly payments due under the Note and this Mortgage. There also may be one or more changes of the Loan Servicer unrelated to a

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sale of the Note. If there is a change of the Loan Servicer, Mortgagor will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

19. Hazardous Substances. Mortgagor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Mortgagor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Mortgagor shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Mortgagor has actual knowledge. If Mortgagor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Mortgagor shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 19, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 19, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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ADDITIONAL COVENANTS. Mortgagor and Lender further covenant and agree as follows:

20. Acceleration; Remedies. Lender shall give notice to Mortgagor prior to acceleration following Mortgagor's breach of any covenant or agreement in this Mortgage (but not prior to acceleration under paragraph 13 and 16 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Mortgagor, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Mortgagor to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 20, including, but not limited to, reasonable attorneys' fees and cost of title evidence.

21. Lender in Possession. Upon acceleration under paragraph 20 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage.

22. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Mortgagor. Mortgagor shall pay any recordation costs.

23. Waiver of Homestead. Mortgagor waives all right of homestead exemption in the Property.

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24. Assignment of Leases, Rents and Other Agreements. (a) Mortgagor does hereby sell, assign, transfer and set over unto Lender all right, title and interest of Mortgagor in and to all rents, issues, revenues, and profits of the Property, together with all right, title and interest of Mortgagor in and to any other leases, sale contracts or other occupancy agreements which may be hereafter entered into for all or any portion of the Property (collectively, the "Occupancy Agreements"), and any and all extensions and renewals thereof, and including any security deposits or interests therein now or hereafter held by Mortgagor and the benefit of any guarantees executed in connection with any of the Occupancy Agreements. This Assignment is absolute and is effective immediately; however, until notice is sent by Lender to the Mortgagor in writing that an event of default has occurred under the Note or under any other Loan Document (each such notice is hereinafter referred to as the "Notice"), Mortgagor may receive, collect and enjoy the rents, income and profits accruing from the Property.

(b) Representations. Mortgagor represents and warrants that: (i) with the exception of the Articles of Agreement for Deed dated February 10, 1994 between Mortgagor, as seller, and Kehinde M. Ganiyu, as purchaser, there is no Occupancy Agreement in effect with respect to the Property; (ii) it has made no prior assignment or pledge of the rents or other income from the Property assigned hereby or of the Mortgagor's interest in any of the Occupancy Agreements; (iii) no default exists in any of the Occupancy Agreements and there exists no state of fact which, with the giving of notice or lapse of time or both, would constitute a default under any of the Occupancy Agreements; (iv) Mortgagor shall fulfill and perform each and every covenant and condition of each of the Occupancy Agreements by the landlord thereunder to be fulfilled or performed and, at the sole cost and expense of Mortgagor, enforce (short of termination of any of the Occupancy Agreements) the performance and observance of each and every covenant and condition of all such Occupancy Agreements by the tenants thereunder to be performed and observed; (v) none of the Occupancy Agreements have been modified or extended; (vi) Mortgagor is the sole owner of the landlord's interest in the Occupancy Agreements; (vii) the Occupancy Agreements are valid and enforceable in accordance with their terms; and (viii) no prepayment of any rent or other payment for more than one (1) month due under any of the Occupancy Agreements has been received by Mortgagor.

(c) Negative Covenants of Mortgagor. Mortgagor shall not without Lender's prior written consent, (i) execute an assignment or pledge of the rents or other income from the Property or any part thereof, or of the Mortgagor's interest in any of the Occupancy

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Agreements, except to Lender; (ii) modify, extend or otherwise alter the terms of any of the Occupancy Agreements; (iii) accept prepayments of any installments of rents or other income to become due under any of the Occupancy Agreements for more than one (1) month; (iv) execute a lease for all or any portion of the Property; (v) in any manner impair the value of the Property; or (vi) permit the Occupancy Agreements to become subordinate to any lien other than a lien created by any of the loan documents or a lien for general real estate taxes not delinquent.

(d) Affirmative Covenants of Mortgagor. Mortgagor on and after title is conveyed to it shall at its sole cost and expense (i) at all times promptly and faithfully abide by, discharge or perform all of the covenants, conditions and agreements contained in the Occupancy Agreements; (ii) enforce or secure the performance of all of the covenants, conditions and agreements of the Occupancy Agreements on the part of the occupants to be kept and performed; (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with the Occupancy Agreements of the obligations, duties or liabilities of Mortgagor, as Lessor, and of the occupants thereunder, and pay all costs and expenses of Lender, including reasonable attorneys' fees in any such action or proceeding in which Lender may appear; (iv) transfer and assign to Lender any and all Occupancy Agreements subsequently entered into, upon the same terms and conditions as are herein contained, and make, execute and deliver to Lender upon demand any and all instruments required to effectuate said assignment; (v) furnish to Lender, within ten (10) days after a request by Lender to do so, a written statement containing the names of all occupants of the Property or any part thereof, the terms of their respective Occupancy Agreements, the space occupied and the rentals payable thereunder; (vi) exercise within five (5) days of the demand therefor by Lender any right to request from the lessee under any of the Occupancy Agreements a certificate with respect to the status thereof; (vii) furnish Lender promptly with copies of any notices of default which Mortgagor may at any time forward to any lessee of the Property of any part thereof; and (viii) pay immediately upon demand all sums expended by Lender under the authority hereof, together with interest thereon at the default rate provided in the Note.

(e) Agreement of Mortgagor. (i) Should Mortgagor fail to make any payment or to do any act as herein provided for, then Lender, but without obligation so to do, and without releasing Mortgagor from any obligation hereof, may make or do the same in such manner and to such extent as Lender may deem necessary to protect the security hereof,

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including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Lender, and also the right to perform and discharge each and every obligation, covenant and agreement of the Mortgagor in the Occupancy Agreements contained, and in exercising any such powers to incur and pay necessary costs and expenses, including reasonable attorneys' fees, all at the expense of Mortgagor.

(ii) This Assignment shall not operate to place responsibility for the control, management, care and/or repair of the Property upon Lender and Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under the Occupancy Agreements, or under or by reason of this Assignment, and Mortgagor shall and does hereby agree to indemnify and to hold Lender harmless of and from any and all liability, loss or damage which it may or might incur under the Occupancy Agreements or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in the Occupancy Agreements, except any such claims or demands resulting from the acts or actions of Lender. Should Lender incur any such liability, loss or damage under the Occupancy Agreements or under or by reason of this Assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and Mortgagor shall reimburse Lender therefor with interest at the default rate provided in the note secured hereby immediately upon demand.

(iii) Nothing herein contained shall be construed as constituting Lender a "mortgagee in possession" in the absence of the taking of actual possession of the Property by Lender, pursuant to the provisions hereinafter contained. In the exercise of the powers herein granted Lender, no liability shall be asserted or enforced against Lender, all such liability being expressly waived and released by Mortgagor.

(iv) A demand on any lessee or other occupant by Lender for rent or other payments owed on any default

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claimed by Lender shall be sufficient warrant to the lessee or other occupant to make future payments to Lender without the necessity for further consent by Mortgagor.

(v) Mortgagor does further specifically authorize and instruct each and every present and future lessee or occupant of the whole or any part of the Property to pay all unpaid rental or other amounts to Lender upon receipt of demand from Lender to pay the same, and Mortgagor hereby waives the right, claim or demand it may now or hereafter have against any such lessee by reason of such payments to Lender or compliance with other requirements of Lender pursuant to this Assignment.

(vi) Mortgagor hereby irrevocably appoints Lender as its true and lawful attorney with full power of substitution and with full power for Lender in its own name and capacity or in the name and capacity of Mortgagor, from and after the service of the Notice of any default not having been cured, to demand, collect, receive and give complete acquittances for any and all rents, income and profits accruing from the subject Property, and at Lender's discretion to file any claim or take any other action or proceeding and make any settlement of any claims, in its own name or otherwise, which Lender may deem necessary or desirable in order to collect and enforce the payment of the rents, income and profits. Occupants of the subject Property are hereby expressly authorized and directed to pay any and all amounts due Mortgagor pursuant to the Occupancy Agreements directly to Lender or such nominee as Lender may designate in writing delivered to and received by such occupants who are expressly relieved of any and all duty, liability or obligation to Mortgagor in respect of all payments so made.

(vii) In the event any lessee or other occupant under the Occupancy Agreements should be the subject of any proceeding under the Federal Bankruptcy Code, as amended from time to time, or any other federal, state, or local statute which provides for the possible termination or rejection of the Occupancy Agreements assigned hereby, the Mortgagor covenants and agrees that if any of the Occupancy Agreements is so terminated or rejected, no settlement for damages shall be made without the prior written consent of Lender, and any check in payment of damages for termination or rejection of any such Occupancy Agreement shall be made payable both to Mortgagor and Lender. Mortgagor hereby assigns any such payment to Lender and further covenants and

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agrees that upon the request of Lender, it shall duly endorse to the order of Lender any such check, the proceeds of which shall be applied to whatever portion of the indebtedness secured by this Assignment Lender may elect.

(f) Default. Upon, or at any time after, default in the payment of any indebtedness secured hereby or in the performance of any obligation, covenant, or agreement herein or any of the other loan documents, Lender may, at its option, from and after the Notice and expiration of applicable period of grace, if any, and without regard to the adequacy of the security for the indebtedness hereby secured, either in person, or by agent with or without bringing any action or proceeding, or by receiver to be appointed by a court, enter upon, take possession of, manage and operate the Property or any part thereof; and do any acts which Lender deems proper to protect the security hereof; and, either with or without taking possession of said Property, in the name of Mortgagor or in its own name sue for or otherwise collect and receive such rents, issues, profits, and advances, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including, but not being limited to, reasonable attorneys' fees, management fees and broker's commissions, upon any indebtedness secured hereby, and in such order as Lender may determine. Lender reserves, within its own discretion, the right to determine the method of collection and the extent to which enforcement of collection of delinquent rents shall be prosecuted, and shall not be accountable for more monies than it actually receives from the Property. The entering upon and taking possession of the Property or the collection of such rents, issues, profits and advances and the application thereof, as aforesaid, shall not cure or waive any default under the loan documents or the Note. Mortgagor agrees that it shall facilitate in all reasonable ways Lender's collection of said rents, and shall, upon request by Lender, promptly execute a written notice to each lessee directing the lessee to pay rent to Lender.

(g) Lender's Right to Exercise Remedies. No remedy conferred upon or reserved to Lender herein, in the loan documents or the Note or in any other agreement is intended to be exclusive of any other remedy or remedies, and each and every such remedy, and all representations herein and in the Note or the loan documents, contained shall be cumulative and concurrent, and shall be in addition to every other remedy given hereunder and thereunder or now or hereafter existing at law or in equity or by statute. The remedies may be pursued singly, successively or together against the Mortgagor and/or the Property at the sole discretion of Lender. No delay or omission of Lender to exercise any right or power accruing upon any

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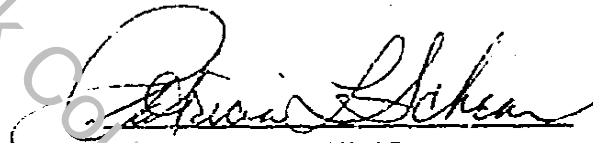
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default shall impair any such right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or any acquiescence therein, and every power or remedy given by this Assignment to Lender may be exercised from time to time as often as may be deemed expedient by Lender.

(h) Right to Collect Rents. As long as Mortgagor shall not have defaulted in the payment of any indebtedness secured hereby or in the performance of any obligation, covenant, or agreement herein, or in the Note or loan documents, Mortgagor shall have the right to collect upon, but not prior to accrual, all payments, rents, issues, profits and advances from the Property and to retain, use and enjoy the same.

25. Condominium Rider to this Mortgage. The Condominium Rider, attached hereto as Exhibit B and recorded together with this Mortgage, is hereby incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if such rider were a part of this Mortgage.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and covenants contained in this Mortgage executed by Mortgagor and recorded with it.


PATRICIA L. SCHEAR

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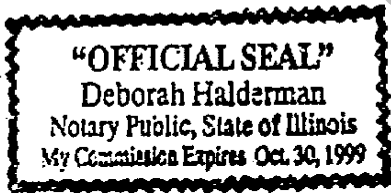
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Deborah Halderman, a Notary Public in and for the State and County aforesaid, do hereby certify that before me this day personally appeared PATRICIA L. SCHEAR and EDWARD SCHEAR, known to me to be the same persons whose names are subscribed to the above and foregoing Agreement, and acknowledged to me that such persons executed and delivered the above and foregoing Agreement as the free and voluntary act of such persons, for the uses and purposes set forth in such Agreement.

IN WITNESS WHEREOF, we have hereunto set my hand and official seal this 25 day of October, 1996.



Deborah Halderman
Notary Public

My Commission Expires:

10-30-99

This Document Prepared by:

LaSalle Northwest National Bank
4747 W. Irving Park Road
Chicago, Illinois 60641

HJM:clk
54851.1
October 23, 1996

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EXHIBIT A

PARCEL 1: UNIT 2902 IN LAKE POINT TOWER CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:

A PART OF LOT 7 IN CHICAGO DOCK AND CANAL CO'S PESHTIGO DOCK ADDITION IN SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, WHICH SURVEY IS ATTACHED AS EXHIBIT 'A' TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NO. 88309162, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS

PARCEL 2: EASEMENTS FOR THE BENEFIT OF PARCEL 1 FOR THE PURPOSES OF STRUCTURAL SUPPORT, EGRESS AND REGRESS, AND UTILITY SERVICES AS SET FORTH IN DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS MADE BY AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED JANUARY 7, 1988 AND KNOWN AS TRUST NUMBER 1043-99-09, DATED JULY 13, 1988 AND RECORDED JULY 14, 1988 AS DOCUMENT 88309160.

Commonly known as: 505 N. Lake Shore Drive, Unit 2902
Chicago, Illinois

PIN: 17-10-214-011-1456

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EXHIBIT B

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made as of October 25, 1996 and is incorporated into and shall be deemed to amend and supplement the Mortgage (the "Mortgage") of the same date given by PATRICIA SCHEAR (the "Mortgagor") to secure Edward Schear and Mortgagor's Note to LASALLE NORTHWEST NATIONAL BANK (the "Lender") of the same date and covering the Property described in the Mortgage and commonly known as 505 N. Lake Shore Drive, Unit 2902, Chicago, Illinois. The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project (the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Mortgagor's interest in the Owners Association and the uses, proceeds and benefits of Mortgagor's interest.

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

A. **Condominium Obligations.** Mortgagor shall perform all of Mortgagor's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents.

Mortgagor shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. **Hazard Insurance.** So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Section 2 of the Mortgage for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property; and

(ii) Mortgagor's obligation under Section 5 of the Mortgage to maintain hazard insurance coverage on the Property is deemed

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satisfied to the extent that the required coverage is provided by the Owners Association policy.

Mortgagor shall give Lender prompt notice of any lapse in required hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Mortgagor are hereby assigned and shall be paid to Lender for application to the sums secured by the Mortgage, with any excess paid to Mortgagor.

C. Public Liability Insurance. Mortgagor shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Mortgagor in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Mortgage as provided in Uniform Covenant 10.

E. Lender's Prior Consent. Mortgagor shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender;

(iii) termination of professional management and assumption of self-management of the Owners Association; or

(iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

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F. Remedies. If Mortgagor does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Mortgagor secured by the Mortgage. Unless Mortgagor and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Mortgagor requesting payment.

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